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Editorial AS WE SEE IT

We have lost count of the "task forces" that President Kennedy has called into being to give him a hand in finding solutions for the innumerable problems by which he is now surrounded. So far as we know there has as yet been no task force to end all task forces—and none appears in the offing. It would, however, be unfair to refer at this time to the statement often made in the past to the effect that when a politician does not know what to do with a hard problem, particularly when any course seems dangerous, he appoints a committee, commission or some similar body to "report" to him—and then forgets all about it. There is as yet no evidence that the President intends to ignore any of the numerous reports that have been accumulating on his desk, though of course there is no evidence either as to whether he will take the courses suggested to him. Perhaps the whole matter may be taken as evidence of the complexity and exceptional difficulty of the tasks the President now must face.

In any event, it is plain enough that the Chief Executive is being called upon — inevitably called upon — to contend with some of the hard realities of life. He has been able to make a surprise and dramatic announcement of the release by the Kremlin of two American Airmen whom it had no right to hold, or even to take prisoner. One, we suppose, might call it a sort of political coup, although it is not evident that the action was taken as a result of anything that the Kennedy Administration did or did not do. In any event, it has been clear for some time that Mr. Khrushchev wished to warm up to the new Administration in Washington at the same time that he and his minions do not forget to continue the rather silly abuse of President Kennedy's predecessor in office.

Wooing From the Kremlin

It is as yet too soon to know definitely whether all this is a tale of little meaning—as similar early courting of the Eisenhower Administration *(Continued on page 30)*

Fund Managers Mildly Bullish During Strong Stock Market

By A. Wilfred May

Analysis of 90 investment companies' portfolio operations midst December quarter's market gain reveals divergent investing attitudes; with increased net acquisitions of common stocks by both the open-end Balanced and Stock funds, contrasted with retrenchment by the closed-end units. The most favored groups included the aluminum, chemical, oil, publishing and retail stocks. Sold on balance were agricultural and paper issues. Meeting mixed reactions were the auto, building, coal, drug, electronic, railroad, rubber, steel, textile, tobacco and utility stocks. Most popular issue was Continental Oil, while profit-taking in Philips' Lamp Works made it the most widely sold. Interest in other foreign issues further broadened.

This survey of 1960's final quarter portfolio operations by 90 funds with $13.3 billion of net assets, covers a stock market period of moderate gain, interspersed with sharp intermediate swings. The composite averages' initial rise of 3% was followed by a 5% decline, then a recovery of 10%, finishing with a net gain of 8% for the quarter. In the context of this see-sawing market rise, the balanced funds, whose policy is always rendered significant by their greater freedom of action, almost trebled their quarter-to-quarter *net* stock acquisitions (the result of drastically reduced liquidation rather than zestful buying).

The stock funds, on the other hand, showed a considerably smaller quarter-to-quarter *net* balance of equity buying, springing from a greater drop in their acquisitions than in disposals. **The overall result for the balanced and stock funds combined, showed a net, although reduced, excess of buying over selling.**

The closed-end companies, as a group, reduced their buying, and stepped-up their selling. They thus increased their net liquidation of stocks which had been evidenced in the preceding quarter.

Consistent with the balanced funds' 'bullish" attitude cited above, they greatly reduced their

[Tables appearing on pages 21 and 26 show funds' comparative investment positions; total common stock and other securities transactions; and individual common stock transactions by industry groups.]

net buying of bonds or preferreds. Likewise consistent with their contrasting caution, the closed-ends substantially increased their purchases of such fixed-income securities.

The sharp reduction in holdings of cash and Governments, evidenced in our Table **Balance Between Cash and Investments,** is largely seasonal, reflecting the setting aside of amounts of distributing annual capital gains dividends.

"The Public's" Cash-ins

"The Public" during the final quarter maintained its own policy of retrenchment practiced earlier in the year. Although the dollar total of *Redemptions* ($192.6 million) showed a decline from earlier in 1960, their ratio to sales of a full 40%, and representing a 30% rise over the comparable 1959 quarter, would seem to warrant concern. Redemptions have been surprisingly heavy in the case of some of the veterans as well as the newly-promoted companies. For example, one of the very oldest funds indicates a full 78% redemption ratio during the past quarter. Among the younger "hard-sold" companies, one of the most prominent indicates its last quarter's redemptions at almost triple its concurrent sales total, and for the full year 1960 at an excess over sales of 64%!

Welcome Anti-Dilution Policy

Highly interesting is the disclosure by Consolidated Investment Trust (a closed-end company domiciled in Boston) of its purchase of its own outstanding shares ("Because of the particular market conditions prevailing at the time, the trustees took the opportunity of purchasing 7500 shares on July 20, 1960 and an- *(Continued on page 20)*

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 34

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

JOHN P. O'ROURKE
Partner, J. P. O'Rourke & Company, Chicago, Ill.

Thermo King

Thermo King is the world's largest producer of mechanical truck refrigeration equipment doing perhaps 75% of the United States business. By virtue of having a superior product and coast-to-coast service the company is recognized as leader in an unquestionably strong growth field. Earnings have improved in the last eight years even through the last two recession years, 1954-1958.

John P. O'Rourke

1953	$0.23	1957	$1.14
1954	0.42	1958	1.36
1955	0.80	1959	1.55
1956	0.94	1960	1.70

This strong growth trend should continue for six reasons:

(1) The ever rising rate of frozen food consumption.

(2) Longer hauls of meats due to the relocation of big cities' slaughtering plants in more rural areas closer to livestock supplies.

(3) Prospects for gradual replacement of railroad ice cars by refrigerated trailer vans on flat cars.

(4) Exploitation of foreign markets.

(5) The expanding concept of moving refrigerated perishables in containers on ocean freighters, barges, trucks and flat cars.

(6) Growth in parts and service revenue.

The arrival of containerization has greatly enhanced Thermo King's future prospects. Containers are big boxes without wheels which can be shifted from one form of transport to another. Although containerization is just beginning to catch on, the advantages of reduced costs of loading and unloading, faster delivery, almost complete elimination of damage, less possibility of pilferage and lower tariffs, indicate that the demand for the company's equipment in this area should show steady growth in the future. A large proportion of all rail traffic will soon be by transferable container.

According to a leading business publication, there has been great concern expressed lately by the regulatory agencies over the amount of frozen food being shipped in containers refrigerated by obsolete equipment. A great proportion of shipments are reaching the grocery stores in the beginning stages of deterioration. The article went on to mention that a few states have recently passed more stringent laws to safeguard the public and changes are being considered in a number of other states. It was estimated that it would cost $2 billion to replace the sub-standard equipment now in use.

It is interesting to note that the recently cancelled preliminary merger agreement with Transitron that had been agreed to by both parties last Fall specified merger terms on a share for share basis. At that time Transitron was selling in the 35-38 range as against a current price in the Over-the-Counter market of 27 for Thermo King.

TK makes air conditioning units for buses and controls a subsidiary, Thermo King Railway Co., which has not yet been able to break in the railroad ice car market to any extent. These two products while not likely to emerge in the near term as heavy contributing factors in Thermo King's makeup, nevertheless add a measure of speculative appeal to the stock.

If an analyst were asked to name some of the leading prerequisites to the term "growth stock" his list would no doubt contain most of the items listed below.

(1) Uninterrupted earnings growth.

(2) Recession resistant product.

(3) Dominance in the companies field.

(4) Nonreliance on one (the government) or several large clients.

(5) Lack of substantial competition.

The fact that Thermo King scores on all of the above counts and is still moderately priced relative to present earnings and future prospects is the reason it is "The Security I Like Best."

SAMUEL WEINBERG
President, S. Weinberg, Grossman & Co., Inc., New York City
Members N. Y. Security Dealers Association, Inc., New York City

Coastal States Gas Producing Company

In the short span of just over five years of operations, Coastal States Gas Producing Company has already achieved recognized investment stature. This accomplishment is, however, only a stepping stone as the forecast for the future is one of glowing growth prospects.

Samuel Weinberg

Among the special features which have attracted the many institutional investors that now have investment positions in Coastal States' securities is the utility-like character of its gas gathering business. Natural gas is a basic commodity in our economy with an assured and growing demand in the years ahead. When this intrinsic industry stability is cemented by Coastal States' 20-year contracts to buy proven gas reserves balanced against 20-year contracts to sell the gas to major transmission lines, the picture becomes most attractive.

The operations of Coastal States can be divided into four categories: gas gathering; the production of oil, gas and condensate; extraction of liquid hydrocarbons from gas; and miscellaneous activities.

Gas gathering is the function of Coastal States' network of systems concentrated in South Texas. The Company fills a long-standing gap that existed between relatively small independent gas producers seeking a market and the major gas transmission companies needing large and flexible supplies of gas. While an enterprise to connect these two demands had been needed for a long time, it wasn't until Coastal States entered the field that a financially-responsible, technically competent organization took advantage of this extraordinary business opportunity.

That an outstanding job has been done is clearly seen in figures for gas gathering sales: from $4.3 million in fiscal 1957 up to $13.7 million in fiscal 1960. As for the years ahead, there were more than 4 trillion cubic feet of gas dedicated to Coastal States gathering systems at June 30, 1960. Back in 1955, on Dec. 31, dedicated gas reserves totaled only 408 billion cubic feet. During this period, the capacity of the Company's gathering systems spurted from 52.5 million cubic feet daily to 1.15 billion cubic feet daily.

In the course of routing a gathering system, Coastal States is offered frequent opportunities by well operators to participate in favorable drilling ventures or in promising acreage. Similarly, the Company has, on its own, undertaken drilling and production in order to capitalize on its gathering facilities which assure markets for gas.

Revenues from oil, gas and condensate production amounted to $2.4 million in fiscal 1960 as against $1.1 million in fiscal 1957. For future use, the Company owned large proved reserves on June 30, 1960: 551 billion cubic feet of gas (vs. 98 billion on Dec. 31, 1955) and 17.9 million barrels of oil and condensate (vs. 2.5 million on Dec. 31, 1955).

Fast becoming a prime source of earnings is Coastal States' share of revenues from the sale of liquid hydrocarbons extracted from gas being delivered by various of its gathering operations. These valuable hydrocarbon by-products are sold to petrochemical plants. The "beauty" of this setup is that anxious users of these by-products are willing to build, pay for and operate extraction plants with Coastal States receiving a material percentage of the gross revenues for making the gas available. By this summer—when six such plants are expected to be operating—the Company looks for net income at the rate of $100,000 per month from this source.

In the miscellaneous category, Coastal States owns a modern 11-story office building in Corpus Christi, which is fully rented. The Company also has a significant stock interest in the Oklahoma Cement Company. Large capital gains could be realized on both of these investments.

Coastal States invariably has "something new" pending all the time. Right now there are two particular projects, among several, that warrant special reference—the Lo-Vaca System and the North Texas Properties.

A 20-year contract has been signed with El Paso Natural Gas for the sale by Coastal States of an annual average of 130,000,000 cubic feet of gas daily. To carry out this contract Coastal States will construct the Lo-Vaca Gas Gathering System at a cost of around $10.5 million. The System will extend into the Houston area and there is a good chance of

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

Thermo King—John P. O'Rourke, Partner, J. P. O'Rourke & Co., Chicago, Ill. (Page 2)

Coastal States Gas Producing Co.—Samuel Weinberg, President, S. Weinberg, Grossman & Co., Inc., New York City. (Page 2)

The Long-Range Outlook For Mortgage Financing

By Dr. James C. T. Mao, *Associate Professor of Economics, The University of Michigan, Ann Arbor, Michigan*

Analysis made of the future demand for and supply of residential mortgage credit for the 1960's, compared to the decade just past, concludes sufficient funds will be available to meet the projected demand. The author explains the methodology used and the assumptions made in anticipating a $152.1 billion demand for, and a $155 billion supply of, residential mortgage credit. Anticipated figures for housing starts in this decade is 13.5 million and the figure for disposable personal income (in 1959 dollars) is $4,424 billion.

I
Introduction

During the decade of the 1950's, a total of 11.6 million nonfarm[1] dwelling units were put under construction. The cost of these units came to a total of roughly $126 billion. Moreover, some $32 billion were spent on alterations and additions. Paralleling this huge expenditure, Americans increased their nonfarm residential mortgage debt by $102.1 billion, from $44.9 billion at the beginning of 1950 to $147.0 billion at year-end, 1959.[2] Of this $102.1 billion increase in debt, 86% was absorbed by savings and loan associations, life insurance companies, mutual savings banks and commercial banks, and 14% by individuals and others. Within the group of institutional investors, savings and loan associations accounted for nearly one-half of the total increase in residential mortgage holdings, life insurance companies and mutual savings banks about one-fifth each, and commercial banks slightly less than one-seventh of the total increase.

Dr. James C. T. Mao

Demographic forces indicate that the new decade, compared with the 1950s, will call for an even higher rate of residential construction. In a report released recently, a group of experts at Indiana University forecast that as many as 13.5 million dwelling units will be built during the 1960s. (See Table I.) In the light of today's knowledge, the Indiana forecast may be regarded as fairly reasonable.

The important question, therefore, is this: Will the flow of mortgage money from our major financial institutions during the 1960s be adequate again to finance the expected high volume of new residential construction? The answer to this question calls for a systematic projection of three magnitudes: (1) the expected increase in the demand for residential mortgage debt during the 1960s, (2) the expected increase in the volume of savings capital of our major financial institutions, and (3) the expected share of that increase which these institutions are likely to invest in residential mortgages. The purpose of this paper is to make these projections on the basis of assumptions which seem reasonable as of now.

II
The Demand for Residential Mortgage Credit

(A) Projection of Residential Construction Expenditures

What does a projection of 13.5 million housing starts mean in terms of the future demand for residential mortgage credit? To answer this question, we need first to translate the number of physical starts into dollar expenditures by taking account of the price factor.

In 1959, construction expenditures on new housing totaled $17.1 billion, and housing completed totaled 1,292,475 dwelling units. (See Table 2.) These figures suggest that the average construction cost per dwelling unit in 1959 was roughly $13,240. The $13,240 figure represented a 45% increase from the 1950 average cost per dwelling unit of $9,140. However, as the data in Table 2 reveals, much of this 45% increase reflected the higher prices of labor and building materials. When the data are expressed in 1959 dollars, the average cost per dwelling unit is seen to rise only from $11,600 to $13,240. This $1,640, or 14.1%, increase is a good measure of the improvement that took place between 1950 and 1959 in the quality and the size of the average dwelling unit.

A number of factors, some opposing and some reinforcing, will affect the movement in the average construction cost of dwelling units in the 1960s. Among the factors exerting a downward pressure, the most important is the expected rise between now and 1965 in the share of households headed by persons under 25 years of age.[3] Since young heads of households generally do not have large families, their housing demand is likely to be for smaller, less expensive units. Another downward force is the continued population shifts to South and West where the average price per

[1] References throughout this paper will be to nonfarm residential mortgages even though not so specifically stated.

[2] The volume of new residential loans made, of course, was greater than the net increase in mortgage debt, since the latter was the difference between new loans and repayments on principal. Unfortunately, data on new residential loans made and on repayments are not available.

[3] Bureau of the Census, *Current Population Reports*, Series P-20, No. 90 (December 29, 1958) p. 2.

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Union Texas Natural Gas Corporation

By **Dr. Ira U. Cobleigh,** ***Enterprise Economist***

Summarizing the past and the prospects of one of the major independent hydrocarbon companies of America.

Some companies start off their corporate life with terrific muzzle velocity, and in a short period advance to major positions of stature and investor acceptance. Others take more time and require the passage of years before they attain magnitude and prestige. In this second category we would place Union Texas Natural Gas Corp. Its original corporate forbear was Union Sulphur & Oil Corp., organized in 1896 to extract sulphur from a property in southern Louisiana. Sulphur was indeed delivered for over a quarter of a century, until 1925, when sulphur production was halted and the same geologic field was converted to oil production. In due course the company name was changed to Union Oil and Gas Corp. of Louisiana.

The Sulphur Mines oil field, at Calcasieu Parish, La., was the chief base of operations until 1948, when another oil company was acquired, with producing properties along the Texas Gulf Coast; and management broadened the oil exploration effort to include South Louisiana, West Texas and, later on, West Canada, the Rocky Mountains and Latin America. All this exploration and production, however, was quite unimpressive until late 1952 when Union Oil and Gas hit it big at Lake Arthur (South) Field in Jefferson Davis Parish, La. There the company brought in one of the major gas fields of the 1950s, which alone now accounts for about 75% of total gas production.

In March 1960, however, new dimensions and depth were added to the corporate picture, when Union Oil and Gas Corp. merged with Texas Natural Gasoline Corp., to become the largest independent producer and distributor of natural gasoline and LPG products (propane and butane principally). The enterprise was further expanded by an acquisition, to be implemented in the spring of this year, whereby 5/6ths of the oil and gas properties of Anderson-Prichard Oil Corp. (plus other assets consisting of undeveloped leases and a certain amount of working capital) will be acquired under a production payment contract. Under this, as oil and gas are produced, payments totaling $58.3 million will be made to Anderson-Prichard.

These payments, derived from 80% of gross revenues from oil and gas on the subject properties, are calculated at existing prices for oil, and contract prices for gas, to liquidate the aforementioned total price, by the end of 1970. When all this petroleum now in the ground, and interest charges incurred in the financing are paid for, Union Texas should have left, and available in reserves on these properties, some 36.2 million barrels of crude and petroleum liquids, and 93.1 billion cubic feet of gas. Against all that Union Texas has agreed to transfer 8.3 million barrels of crude and 56.5 billion cubic feet of gas and $9.76 million in working capital to Anderson-Prichard; with Union Texas in a position to realize and recover, over time, $12.8 millions under a sale of the just cited reserves to Frankfort Oil Co.

All of this may seem a bit complicated but has the effect of placing Union Texas on the receiving end of a small empire of petroleum reserves, and a substantial flow of cash. The 5/6th interest in the Anderson-Prichard leases aggregates 800,000 net acres of which 65,000 acres are in production and 735,000 acres hopeful but undeveloped.

But enough of this subteranean inventory of hydrocarbons for future delivery. What sort of company is Union Texas today, what can it earn, and what are its horizons for the kind of growth that investors understand and seek?

The answer to this compound question is found in the four major areas to which Union Texas addresses itself: natural gas, natural gasoline, liquid petroleum gases and oil. Let's take them up one at a time.

Natural Gas

Natural gas over the past 15 years has steadily increased its share of the energy market, and in broad sections of the North and Northeast United States, natural gas has become the major space heating fuel. Some 85% of the total natural gas production of Union Texas (taking in the entire output of the Lake Arthur Field) is sold to Texas Gas Transmission Co. under a long-term contract. The original price was 9.25 cents per MCF and, subject to Federal Power Commission approval, was to have been increased to 19.19 cents per MCF Feb. 15, 1957 (with refunds to customers of any portion of the increase not approved by FPC). This rate application was kicked around by FPC until Jan. 15, 1960, when a commission examiner recommended an intermediate price of 14.57 cents per MCF.

This determination was disfavored by Union Texas, which has filed a batch of exceptions and is still billing at the rate of 19.19 cents per MCF. As if this were not complicated enough, there will be another redetermination of gas prices with Texas Gas Transmission to cover the five-year period beginning next Jan. 1.

Not being a commissioner nor an attorney, we are in no position to appraise the foregoing rate arguments. We only say that, over time, the price of natural gas is going up and that Union Texas is in a strategic position to benefit from that positive trend.

Natural Gasoline

Natural gasoline is a quite special product. It vaporizes at low temperatures, has the high volatility necessary for quick-starting and anti-knock qualities. It is thus eagerly sought by sophisticated refiners of motor fuels. Union Texas has a 100% net interest in nine natural gasoline plants, a two-thirds interest in two more, and a half interest in still two more. The company is the largest independent producer of natural gasoline and engages in production, storage and marketing.

Liquefied petroleum products, better known as LPG, represent the fastest growing segment of the entire petroleum business. Sales (in millions of gallons) have increased, with an almost monotonous uptrend, from 3,483 in 1950 to 9,860 in 1960. LPG is quite a fuel. It has all the advantages of natural gas—heat, high BTU content, cleanliness, speed of combustion — plus portability beyond pipelines. LPG has a chameleon like quality, whereby it can, under pressure, be compressed into a liquid and then magically revert into a volatile gas when the pressure is lifted. So, in bottles, it provides an economical household fuel for cooking, water and space heating in broad suburban areas of the U. S. beyond the gas mains, and in rural areas miles or years away from piped gas. It is estimated that, in 1960, over eight million homes were supplied with LP Gas. Not only that—but LPG has become an increasingly sought fuel for trucks, buses, construction machinery and farm tractors. It is also useful in chemical manufacture and the production of synthetic rubber. Union Texas is a major LPG producer.

Oil Production

Union Texas is also a substantial oil producer. For the first half of 1960 oil and condensate production averaged 15,634 barrels daily — 60% domestic, 25% Venezuelan, and the balance from Argentina and Canada. The Anderson-Prichard properties will, of course, greatly add to oil output in future years.

From the foregoing you will perceive that Union Texas Natural Gas Corp. is a large-scale, well-balanced producer of diversified hydrocarbons. It is now grossing well over $80 millions annually, and delivered, in 1960, a cash income of $33 million and a net of about $2.10 per share on the 7,041,228 shares of combined class A and class B stock outstanding (the only difference between the classes is that the "B" has sole voting rights). The company now has the cash resources to take the next logical steps—more aggressive exploration, and upgrading the value of petroleum products by manufacture of petrochemicals.

While oil stocks generally have been quite neglected by investors for the past three years, here is a company operating in the more dynamic and higher profit sections of the industry. Union Texas has a fine energetic management, a fabulous store of raw material. (Reserves converted to liquid equivalents were equal to about 27 barrels per share at March 31, 1960.) Cash flow is excellent and gross revenues have been in a strong, steady uptrend. For those not averse to sophisticated petroleum equities, Union Texas Natural Gas common, priced at around $31, paying 40 cents a share (with a small stock dividend as well) might prove a rewarding long-term equity. The shares trade in the Over-the-Counter market.

H. Hentz to Admit

As of Feb. 2 H. Hentz & Co., 72 Wall St., New York City, members of the New York Stock Exchange, has admitted Ella G. Weil to limited partnership.

Heads Wellington's St. Louis Office

ST. LOUIS, Mo.—Francis L. M. Schmertz has been appointed upper Western Mississippi Valley representative of Wellington Distributors, Inc., wholesale distributing organization for shares of Wellington Fund and Wellington Equity Fund, it was announced by Joseph E. Welch, President. Mr. Schmertz will make his headquarters in St. Louis, located at the Railway Exchange Building. In addition to metropolitan St. Louis, he will cover all of Nebraska, Iowa, Minnesota, and North and South Dakota.

F. L. M. Schmertz

Mr. Schmertz replaces William H. L. Sullivan, who has been transferred to head Wellington's Pittsburgh office.

Mr. Schmertz has been associated with the Wellington organization since 1959; previously, he was affiliated with the National City Bank of New York and the Pittsburgh investment banking firm of Cunningham, Schmertz & Co.

Bookbinder With Gruntal & Co.

Albert I. A. Bookbinder has joined the New York Stock Exchange member firm of Gruntal & Co., 50 Broadway, New York City, as director of research.

For the past two years, Mr. Bookbinder was associated with the J. M. Kaplan Fund. He previously served as market economist for Harris, Upham & Co.

Firm Name Now Bernard Kahn Co.

The corporate title of Mandell & Kahn, Inc., New York City, has been changed to Bernard M. Kahn & Co., Inc. Bernard M. Kahn is President and Paul D. Levine, Vice-President.

They will engage in a general brokerage business and also be active as underwriters. The offices are in the Time & Life Building.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The First National City Bank's monthly letter on *Business Economic Conditions for February* reveals that the new year has brought few, if any, signs of the hoped-for business pickup. In both industry and trade buying policy remains cautious, to hold down inventories and reduce them where possible. To be sure, inventory positions and prospects vary from line to line. It is generally conceded that steel inventories must be approximately at bottom. Thus, steel operations should hold up or improve. On the other hand, automobile dealers have more than one million cars on hand. There is no precipitate rush to cut this stock down, this early in the year, but the situation restrains current production. Further cuts have been announced in passenger car assembly schedules. Between these extremes, individual industries are working out their own adjustments.

During a period of general inventory reduction, goods are sold off the shelves and out of warehouses without replacement. Even though final demand is maintained at a high level, manufacturing output and employment are curtailed. Industrial production, as measured by the seasonally adjusted Federal Reserve index (1957=100), dipped to 103 in December, down from 105 in November and the peak of 111 in January 1960. The slowdown in production, centered initially in basic materials, has spread to consumer goods and business capital goods. A lull continues in home building. But F. W. Dodge officials report an upsurge of contract-letting for schools, highways, and other building construction, which will help provide an offset to declining tendencies in other lines of business.

The usual Christmas job increase in retail stores and post offices was largely offset by cutbacks of roughly 300,000 persons each in construction and manufacturing. Only part of these layoffs could be attributed to seasonal influences and unusually bad weather in mid-December. Government statisticians figure that the number of persons out of work in December rose to 4,540,000, equivalent to 6.8% of the labor force on a seasonally adjusted basis. Secretary of Labor Arthur Goldberg has estimated that 5½ million were unemployed in January; if correct, this would be the highest number for any month since Pearl Harbor. Part of the January rise in unemployment resulted from layoffs of workers hired for the Christmas season, while inventory-taking and curtailment of outdoor activities usually cause other layoffs at this time of year.

The decline in factory employment, which has been under way since March, began to be reflected in over-all personal income in November and December. Retail sales have also felt the effects of payroll cuts; even though December sales were 5% higher than last Christmas, the increase over November was smaller than usual. In January, stormy weather again hurt retailers. New car sales, January 1-20, were off 18% from a year earlier, while department stores sold 3% less in the first three weeks than in the same weeks of 1960.

Strength of Final Demand

Probably the most promising indication that the current business dip will be relatively mild, overall, is the fact that the gross national product (GNP) has been well sustained, at least through the end of 1960. According to preliminary estimates in the President's Economic Report, GNP held within a very narrow range throughout 1960. In the fourth quarter, it was at a seasonally adjusted annual rate of $503.5 billion, only 3/10ths of 1% below the record second quarter rate of $505 billion. If the influence of inventory changes is removed from the calculation, it becomes apparent that final demand gained steadily all year long—to a new peak rate of $507.5 billion in the fourth quarter, up $17.6 billion since the first quarter of 1960.

Most major areas of the economy had the benefit of sustained final demand. The fourth quarter estimates included new records for consumer expenditures and government spending. The surplus of exports of goods and services was the largest since the Suez crisis. Business fixed investment remained close to the third quarter peak. The only marked lag was in residential construction expenditures, which were 12% below the record peak reached in the second quarter of 1959.

This leaves the shift in inventory demand as primarily responsible for the lag in GNP. During the first quarter of 1960, business was rebuilding steel stocks and otherwise accumulating inventories at the rate of $11.4 billion a year. But, with the evaporation of inflationary psychology, and disappointing sales and profits, this phase quickly gave way to one of careful policing of inventory positions. We had a $4 billion annual rate of liquidation by the fourth quarter. Altogether, the rate of inventory demand was reduced more than $15 billion. The fact that a cut of this magnitude has been absorbed with only minor fluctuations in GNP is definitely encouraging. At the same time, the estimate that inventories were cut at a $4 billion rate in the fourth quarter indicates that the process of adjustment is much further advanced than many observers had believed and the low point of the decline should be correspondingly nearer.

Sustained final demand from consumers, business, and government will eventually be the means of turning things around. When businessmen find their stocks are too low to keep production and shipments rolling smoothly, when shortages crop up and delivery schedules show signs of stretching out, then orders will pick up, followed in due course by rising production, shipments, and inventories.

Bank Clearings Up 4.6% for Week Ending Jan. 28 Over Same Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Jan. 28, clearings from all cities of the United States from which it is possible to obtain weekly clearings was 4.6% above those of the corresponding week last year. Our preliminary totals stand at $26,553,450,632 against $25,379,407,114 for the same week in 1960. Our comparative summary for the leading money centers for the week ending Jan. 28 follows (000's omitted):

	1961	1960	%
New York	$14,252,757	$13,173,595	+ 8.2
Chicago	1,226,369	1,262,564	— 2.9
Philadelphia	981,000	1,110,000	—11.6
Boston	738,285	759,927	— 2.8

February Steel Output Will Approximate January's 6.5 Million Tons

February steel production will approximate the 6.5 million ingot tons produced in January, *Steel* magazine predicted.

But the metalworking weekly said there is not much likelihood that February, which has fewer days, will be better than January.

Orders are showing no over-all improvement. At some mills, they are running a little behind last month's.

But steelmakers expect there will be an increase in ordering for quick deliveries in February. Some steelmakers have been getting 40 to 50% of a month's business after the first of the month.

Weekly steelmaking operations apparently have reached a plateau of about 1.5 million tons. *Steel* estimates this week's output will be about the same as it was in the week ended Jan. 23, which was up slightly (0.1%) from the previous week's production (1,499,000 tons).

Production cutbacks in the automotive industry are largely responsible for the sidewise movement in steel, the publication noted.

If it were not for automakers' requests that part of their February tonnage be held until March, the market trend would be moderately upward. Reasons: (1) Other consumers of sheets and bars are stepping up purchases. (2) Demand for such products as in tin plate, oil country goods, and line pipe is firming appreciably.

Automotive cutbacks are not increasing in number or tonnage. What's more, some buyers are making adjustments that will increase rather than reduce the tonnage they will take. Reason: Inventories are getting too low in some sizes.

Unless new car sales drop sharply, automakers can be expected to at least hold their output at the current level.

The recent show of strength in the scrap market was short-lived, reflecting failure of steel production to stage a sharp upswing. *Steel's* price composite on No. 1 heavy melting was at $32 a gross ton, unchanged from the previous week's revised figure.

The primary copper price appears a little firmer this week although sales remain slow, the metalworking magazine said. The primary price fell one cent to 29 cents a pound earlier this month.

By trimming output, copper producers have taken a major step to limit the amount of excess metal overhanging world markets.

Free World copper output has been slashed by 11,700 tons a month, or a rate of 140,400 tons a year, since Jan. 1. Together with cutbacks made last year, the curtailments add up to about 22,000 tons a month, or 264,000 tons a year.

If more production cutbacks are needed to stabilize the market, the publication says the consensus is that the producers will make them.

First Quarter Business Will Not Show Much Change From Last Months of 1960

The steel market is undergoing a basic change in products and customer demand, *The Iron Age* says. First quarter business will not show much of a tonnage change from the last months of 1960, but the products picture is undergoing a drastic shift.

Basically, severe cutbacks in automotive orders are counterbalanced by a strong swell of orders from a wide range of steel users for a wide range of products.

The lack of any pattern in new orders, and the fact that a large percentage of new business is on a rush basis, indicate most steel users have very low stocks of steel.

In the face of disappointing auto sales and the hesitant state of business, low inventories may be the biggest single factor working for the steel industry, *The Iron Age* says.

Here are some of the new factors in the market:

Tin plate orders are starting to move up a little faster. But there is a negative factor in assessing effects on production. Some mills are absorbing the new orders from mill stocks carried over from last year. Galvanized is also showing a seasonal pickup.

Warehouses, appliance makers, plus some general demand, have

Continued on page 30

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market has continued to show unabating strength. This week new tax exempt issues have been offered at progressively higher prices, with most of them meeting with at least fair investor reception. The higher yielding offerings have met with almost immediate investor interest as yields in this category, too, have been diminished relatively by each successive new issue offering. The result is a chain reaction sort of market progression with investors apparently grudgingly satisfied with the over-all tax exempt bond price structure despite the substantial lessening of yields as the market is pushed gradually higher.

Aggressive Bidding

Dealers, in their dogged optimism, bid on each high grade new issue as though its coupons might be the last to bear income tax exemption. Price markups are often based upon the pricing of large unsold balances for similar outstanding issues for reasons not always cogent or coherent. The competitive nature of the business inevitably generates these procedures during periods of inventory scarcity. The resultant is of course today's bonds with tomorrow's prices and the final tomorrow is never to come or at least is remote.

However, with major help deriving from the banks, most of the new issue volume has been quite easily absorbed during January. The generous yield base that obtained to start with has been helpful. The extremely easy money situation is of course the fundamental impetus; hardly to be ignored but generally taken for granted. The manifold problems which influence the impending Treasury refunding seem likely not to seriously disturb the bond market. They may all be resolved by a single short-term offering. The answer here will be forthcoming today (Feb. 2) when the nature of the refunding issue will be announced officially.

Kentucky Revenue Issue

During the past several months negotiated type underwritings have been a rarity in the calendar of state and municipal financing. The volume of negotiated issues has been drastically curtailed during the last eighteen months largely by reason of the higher interest rate structure that obtained during most of that period. Now that interest rates are lower, and with the tax exempt market generally receptive, the market climate for revenue issues of the growth type seems more favorable.

The first large toll road revenue issue to be offered this year involves $39,000,000 Turnpike Authority of Kentucky (an agency and instrumentality of the Commonwealth of Kentucky), Eastern Kentucky Toll Road Revenue bonds due; $17,800,000 serially 1965-1985, and $21,200,000 term bonds due; 7/1/2000. The serial bonds are priced to yield from 3.50% to 4.60% and the term bonds are 4¾s priced at par. This obligation is of the lease-rental type with apparently ample security behind it. The various resources and means of payment indicate ample coverage

Since the Kentucky Constitution virtually requires this manner of financing such projects, the assurances set up as between the State Highway Department and the Turnpike Authority involving the building, maintaining and operation of the toll road under all contingencies, seem well established legally and conservatively conceived financially and economically. Because of the State's removal from a direct and general obligation in the case of this issue, the Authority must pay dearly for its money. In this instance it appears to us that the investor is being very well paid.

The managers of the group financing this much needed facility are: Allen & Co., John Nuveen & Co., Inc., B. J. Van Ingen & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith, Inc., A. C. Allyn & Co., Inc. and The Kentucky Co. Nationwide underwriting and selling groups are also involved. A favorable institutional and investor interest has been indicated. The road is of advanced design both technically and safety wise. It runs about 45 miles through territory well suited to general development. Winchester and Campton are sizable terminal areas.

The Connecticut Award

This week's largest sealed bid type offering was the $28,980,000 State of Connecticut general obligation (1964-1980) issue which was awarded on Wednesday, Feb. 1, to the group headed by The First National City Bank of New York and included Lehman Bros., Halsey, Stuart & Co., Harris Trust and Savings Bank, Kidder, Peabody & Co., Drexel & Co. and others. The deferral from the previous offering date involved a technicality in advertising which fortunately resulted in a better interest cost for the State. The bonds were scaled to yield from 1.90% to 3.10%. With the bulk of the issue of relatively short maturity, bank and trust department interest should be paramount.

On Tuesday of this week another State issue attracted highly competitive bidding. New Mexico awarded $8,000,000 general obligation (1962-1969) bonds to the group headed by The First Boston Corp, which included The Northern Trust Co., The Philadelphia National Bank, and others. The bonds were priced to yield from 1.50% to 2.50%. The offering met initially with fair reception and more than half of the bonds are out of account.

Other Financing This Week

An interesting Michigan issue was also offered to investors on Tuesday after a Monday night award. Saginaw, Mich., $4,832,000 general obligation (1962 - 1986) bonds were bought by Kidder, Peabody & Co., Shields & Co., A. C. Allyn & Co., Inc., Hallgarten & Co., Barr Brothers & Co., and others. This high grade issue was scaled to yield from 1.60% to 3.30% (1962-1981). The last five maturities bore interest at 1% (1982-1986) and were not publicly offered. The investor reception was good. Less than 20% of the issue remains in account.

The important New York State school district market was represented this week by $3,470,000 Geddes and Onondaga (Onondaga County) New York CSD # 1 (1961-1990) bonds awarded to Kidder, Peabody & Co., R. W. Pressprich & Co., J. A. Hogle & Co., J. C. Bradford & Co., and associates. The bonds, reoffered to yield from 1.60% to 3.65%, have gone well with investors as only $1,500,000 remained in account after the order period.

Firm Markets

The dollar quoted state and municipal revenue bond issues have been more active recently. This category had a greater average rise last week than has occurred during a similar period for months. The *Smith, Barney & Co.* Turnpike Bond Index went from 3.81% on Jan. 19 to 3.77% on Jan. 26. This represents an average rise of about three-quarters of a point. This segment of the market has been stronger since the last reporting date.

During this week of brisk bidding the secondary market has naturally been stimulated in kind. The *Commercial and Financial Chronicle's* state and municipal bond yield Index portrays a market rise during the past week of about three-eighths of a point. The yield Index dropped from 3.28% on Jan. 25 to 3.257% on Feb. 1.

Meagre Calendar Now

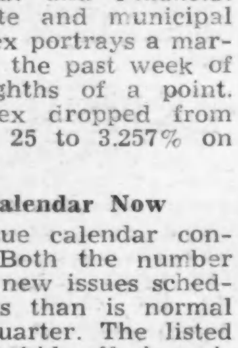
The new issue calendar continues sparse. Both the number and volume of new issues scheduled seems less than is normal for the first quarter. The listed total of sealed bid offerings is less than $250,000,000. The largest proposed issue is $32,500,000 Baltimore, Md. bonds slated for bids on Feb. 15. The *Blue List* total of state and municipal bonds as listed on Feb. 1 is but a moderate $346,910,500. The meagre calendar and the favorable inventory situation seem likely to nudge dealers into a more unpromising market area.

California (State)	3½%	1978-1980	3.65%	3.50%
Connecticut (State)	3¾%	1980-1982	3.30%	3.15%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.30%	3.15%
New York (State)	3%	1978-1979	3.20%	3.05%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.90%
Vermont (State)	3⅛%	1978-1979	3.15%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.35%	3.20%
Los Angeles, Calif.	3¾%	1978-1980	3.70%	3.55%
Baltimore, Md.	3¼%	1980	3.40%	3.25%
Cincinnati, Ohio	3½%	1980	3.30%	3.20%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.65%	3.50%
New York City, N. Y.	3%	1980	3.50%	3.40%

February 1, 1961 Index=3.2577%

Brown Brothers Admits W. Driver

BOSTON, Mass.—Brown Brothers Harriman & Co., members of the New York Stock Exchange, has announced, effective February 1, the admission of William R. Driver, Jr. as a General Partner, resident in the Boston office, 10 Post Office Square. Mr. Driver was formerly Vice - President of the Chase Manhattan Bank, where he was Loan Supervisor and Vice-Chairman of the General Loan Committee. Prior to the merger in 1955 of the Chase National Bank and the Bank of the Manhattan Company, he was a Vice-President of the latter institution with general supervision of commercial banking activities in New England and in the New York metropolitan area served by the head office.



W. R. Driver, Jr.

G.G. Palumbo Joins Kinney & Co.

Kinney & Co., 76 Beaver St., New York City, money brokers, have announced the association with their firm of George G. Palumbo.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Feb. 2 (Thursday)			
Abilene, Texas	1,000,000	1961-1987	2:00 p.m.
Bay City Indep. School District, Texas	1,200,000	1962-1980	6:00 p.m.
Houston Indep. Sch. Dist., Texas	14,000,000	1963-1989	1:00 p.m.
Kentucky Turnpike Authority, Ky.	38,000,000	2000 ----	--------
King County, Highline Sch. Dist. No. 401, Washington	1,415,000	1963-1981	11:00 a.m.
Marlborough, Mass.	3,500,000	1962-1980	11:00 a.m.
Topeka School District, Kansas	2,000,000	1962-1981	10:00 a.m.
Wayne County, Livonia Drain Dist. No. 2, Mich.	1,715,000	1962-1990	10:30 a.m.
Feb. 3 (Friday)			
Belleair, Florida	1,250,000	1962-1991	11:00 a.m.
Milwaukee County, Wis.	10,328,000	1962-1981	11:00 a.m.
Feb. 6 (Monday)			
Riverside City Sch. Dists., Calif.	2,300,000	1962-1981	11:00 a.m.
Feb. 7 (Tuesday)			
Arapahoe County Sch. Dist. No. 6, Colo.	1,285,000	--------	--------
East Greenbush, Nassau, Etc., Cent. School District No. 1, New York	2,020,000	1962-1979	2:00 p.m.
El Segundo Sch. Dist., Calif.	2,750,000	1962-1981	9:00 a.m.
Roseville Sch. Dist., Mich.	2,000,000	1961-1986	8:00 p.m.
Sonoma County Flood Control & Water Conservation Dist., Calif.	2,720,000	1962-1996	10:00 a.m.
Feb. 8 (Wednesday)			
Charleston, South Carolina	1,000,000	1964-1988	Noon
North Carolina	10,000,000	1962-1980	11:00 a.m.
Pinellas County, Florida	6,000,000	1962-1973	11:00 a.m.
Smithtown Central School District No. 1, New York	3,085,000	1962-1991	1:00 p.m.
Feb. 9 (Thursday)			
Elmira City School District, N. Y.	3,750,000	1961-1990	11:00 a.m.
Minneapolis Spec. Sch. Dist., No. 1, Minn.	2,000,000	1963-1972	10:00 a.m.
Texas	12,500,000	--------	10:00 a.m.
Triway Local Sch. Dist., Ohio	1,328,000	1962-1982	1:00 p.m.
Feb. 13 (Monday)			
Parma City Sch. Dist., Ohio	1,200,000	1962-1981	1:00 p.m.
Rossford Exempted Village School District, Ohio	1,000,000	1962-1981	Noon
Russell, Kentucky	1,150,000	1962-1991	7:30 p.m.
Feb. 14 (Tuesday)			
East Niles Community Service District, Calif.	1,410,000	1965-1986	8:00 p.m.
Georgia State Hospital Auth., Ga.	8,600,000	1962-1981	Noon
Meridan Township, Mich.	1,500,000	1962-1993	8:00 p.m.
Monroe, La.	1,675,000	1962-1981	10:00 a.m.
Feb. 15 (Wednesday)			
Baltimore, Md.	32,550,000	--------	--------
Clearview Regional High School District, New Jersey	1,500,000	1961-1980	8:00 p.m.
Louisville, Ky.	2,080,000	1967-1998	11:00 a.m.
North St. Paul-Maplewood Indep. School District No. 622, Minn.	1,000,000	--------	8:00 p.m.
St. Louis, Mo.	15,802,000	1963-1981	11:00 a.m.
Vallejo, Calif.	1,240,000	1991 ----	11:00 a.m.
Feb. 16 (Thursday)			
Cuyahoga County, Ohio	8,000,000	1962-1981	11:00 a.m.
Harrison County, Miss.	3,000,000	1962-1986	10:00 a.m.
Johnstown Municipal Auth., Pa.	5,000,000	1963-1986	Noon
St. Louis County, Mehlville School District, No. R-9, Mo.	1,225,000	1962-1981	8:00 p.m.
South Charleston, W. Va.	8,000,000	1962-2001	11:00 a.m.
Feb. 20 (Monday)			
Canton Local School District, Ohio	1,250,000	1962-1982	Noon
Dallas, Texas	19,000,000	--------	1:45 p.m.
Feb. 23 (Thursday)			
Chesterfield County, Va.	3,000,000	--------	--------
Feb. 27 (Monday)			
Florida Development Comm., Fla.	1,700,000	1963-1990	11:00 a.m.
Roxbury Township School District, New Jersey	1,720,000	1962-1930	8:00 p.m.
Feb. 28 (Tuesday)			
Chillicothe City Sch. Dist., Ohio	1,500,000	1961-1981	10:00 a.m.
New Mexico	2,000,000	1965-1966	10:00 a.m.
Tucson, Ariz.	5,000,000	1962-1991	10:00 a.m.
March 2 (Thursday)			
Jefferson Parish, Fourth Jefferson Drainage District, La.	1,000,000	1962-1981	2:00 p.m.
March 7 (Tuesday)			
Alameda County Flood Control & Water Conservation Dist., Calif.	1,350,000	1962-1991	10:00 a.m.
Beauregard Parish, Paris wide School District, La.	1,050,000	1963-1981	5:00 p.m.
Denver, Colo.	15,000,000	197[illegible]-1[illegible]99	11:00 a.m.
Portsmouth, Va.	2,300,000	1962-1981	11:00 a.m.
March 8 (Wednesday)			
Los Angeles Dept. of Water and Power, Calif.	12,000,000	--------	--------
St. Paul, Minn.	10,634,000	--------	10:00 a.m.
March 14 (Tuesday)			
Washington Sub. San. Dist., Md.	10,000,000	--------	--------
March 16 (Thursday)			
University of California	2,750,000	1951-1938	10:00 a.m.
April 3 (Monday)			
Jacksonville Expressway Authority, Fla.	40,000,000	2000	--------

Reflections on Money Rates

By Donald MacArthur,* *Treasurer, Sears, Roebuck and Co., Chicago, Ill.*

Financial executive probes the prospects for a shift in the present relationship of short- and long-term interest rates. He concludes long-term rates will continue to exceed short-term rates and, moreover, it is likely that the spread between their respective borrowing costs will increase both directly in stated rates and also indirectly through the use of equities as a condition for obtaining long-term financing.

Money rates is a subject that is understandably of uncommon importance to a Scotch treasurer. In its last fiscal year, Sears spent somewhat over $56 million for the hire of other people's funds, a very tidy sum indeed—$43 million through the parent and $13 million through Sears Roebuck Acceptance Corp.


Donald MacArthur

Moreover, I'm certain I needn't say that hope springs eternal in our Scotch hearts, such hope finding expression in an endeavor to obtain funds at the lowest average cost possible. Naturally, to be successful our efforts must embrace not only astuteness in timing but also competent employment of the mix of short and long-term funds. The problem continually grows in magnitude because our own need for funds and the needs of other borrowers almost constantly grow, and in our opinion they will continue to do so at an increasing rate.

The uncertainties of the business outlook, the change in administration, and the change in Federal Reserve policies have all combined to make today's topic one of unusual interest just now. As might be expected, a number of comments have appeared respecting the outlook for money rates, all of them thought-provoking and all of them making a case for lower short- and long-term money rates, with a unanimity of opinion that is impressive but disturbing. Because events usually have a way of crossing up the earnest predictions of the majority, one is led to examine a point of view that departs from orthodoxy, so to speak.

It goes without saying that any discussion of interest rates must make a distinction between the relationship of short- and long-term interest rates and the trends of the individual rates themselves. I would like to explore the relationship of rates because, as previously noted, any economical borrowing program must be based upon a judicious use of the short- and long-term mix as well as a bit of good timing overall.

Perhaps I can best introduce the discussion by saying a word about my two regular nightmares.

For 22 years prior to joining the Sears organization in 1947, I sold securities — mostly on a straight commission basis, with some violent swings in compensation as you may guess. My standard nightmare is one in which I am again peddling securities on straight commission; it is getting toward the last day of the month, and I am the only salesman in the organization who hasn't sold a doggone thing during the month. Naturally, there is a feeling of great relief upon awakening to realize that one is not self-employed.

Since joining Sears, a second nightmare has been acquired which relates to a chart appearing regularly in the Historical Supplement to the Federal Reserve Chart Book—a most useful and thought-provoking grouping of statistics. On page 37 of this fine green book is this chart which shows the relationship between short-and long-term interest rates since 1900. Not many of us recall that, as the chart indicates, during the period prior to 1930, open market interest rates usually exceeded long-term rates by a good margin. This is in sharp contrast to the period since 1930 when open market rates have never exceeded long-term rates, although they did come close to doing so upon several occasions in the recent past. Normally, about 40% of our borrowings are short-term and low cost, and hence the cause of this nightmare. What if open market rates again moved above long-term rates? Certainly this is a frightening prospect of considerable import to us. On the other hand, it is unnecessary to add that far from disturbing the sleep of any of our good banker friends, such an event would offer a most delightful experience indeed.

Will the Spread Shift?

Well, what are the prospects for a shift in the present relationship of short- and long-term interest rates? By way of finding an answer, we might begin by asking four questions: (1) How many believe that the citizenry of this good country will very long put up with a deflationary period? (2) How many believe that labor will be willing to take less of a cut of the pie? (3) How many believe that the purchasing power of the dollar will rise during the next 20 years? (4) How many believe that corporate taxes will decline significantly in the next 20 years?

When most of us talk about long-term money rates in this country, I think it is fair to say that we are apt to underrate the great influence of these factors upon the net cost of hiring such funds. We seem to suffer from a type of financial myopia. For example, the following figures are significant to me. Sears sold an issue of $350 million of 25-year debentures in the fall of 1958 at a rate of 4¾% to the lender. It is interesting to observe that in terms of interest cost after taxes, the after-tax rate would have been 4.22% in 1929, 3.84% in 1939, and 2.28% in 1959, a very substantial reduction indeed. But this is less than half the story, for when allowance is made for the decline of 53% in the purchasing power of the dollar since 1939, the net after-tax cost of funds borrowed in 1939 at 4¾% is currently 1.07%.

Speaking of the influence of declines in the purchasing power of the currency unit upon money costs, our own experiences in Latin America have been instructive to us. Sears operates in a number of Latin American countries having currency problems. As a matter of fact, our Vice-President in charge of Latin American operations once remarked: "Name a soft currency country and we're in it." In each of these countries, softness and threatened softness of the currency and statutory limitations upon bank rates result in a very wide spread between short-term and long-term borrowing costs. It is important to note that this relationship persists despite a great unfilled demand for loans of all types, short or long. When we reflect a bit, the cause is a perfectly natural one—the shorter the exposure to risk of currency depreciation, the lower the rate. I guess this is one of those things Senator Douglas would call an "obviosity."

Long-Term Rates Will Stay Higher

After meditating upon the movements on the chart and speculating upon the reasons for them, there appear to be two rather obvious and basic causes of this sharp change in short- and long-term rate relationships in the early '30s—managed money and the threat of inflation, particularly the latter. Further, it seems likely that, although the degree of spread between short- and long-term rates will surely vary, basically long-term rates will continue to exceed short-term rates, and it is likely that the spread between short- and long-term borrowing costs will increase both directly in stated rates and also indirectly through expansion of the requirement of an equity bonus as a condition for obtaining long-term financing.

As users of a lot of hired money, we were heartened by the move of the Fed to a position of "active ease" in its open market operations and were encouraged by the apparent abandonment of its "bills only" program. We expected that bond prices would respond as they had in the past. But they haven't. Moreover, I expect that, in the recent move, prices of corporates have not improved as much as governments, and as a matter of fact, corporates have slipped a bit from their August highs. Why? Well, I wonder if there isn't a message of great import to the borrower in this lack of response of the bond market to traditional Fed treatment. I think there is a very significant message. I think the market is saying that, irrespective of the machinations of the financial authorities, the lender is becoming more and more thoroughly acquainted with the monetary facts of life. Hired money is one of the cheapest articles in the market place today. Isn't the long-term market fairly shouting: "The time to do financing is when you can"? Some may recall the admonition of one of the stock market advisory services a few years back: "Run, don't walk, to your nearest broker." The signs of the times seem to suggest a paraphrase, "Hasten to your nearest investment banker."

Summary

In summary, my thoughts on money rates are:

(1) Open market rates will continue at a level below the prime rate.

(2) The prime rate will fall below the level of long-term rates.

(3) Long-term rates will rise.

I am reminded of a story Winston Churchill tells upon himself. Back in his early days in the Foreign Office, Churchill served under Lord Elgin, he of the famous Marbles. Winston prepared a lengthy monograph to his chief on some subject and with his characteristic flare, wound up his discourse by saying, "These are my views." A few days later the report was returned with the following terse marginal comment in his Lordship's fine hand, "But not mine."

Well, these are my views.

*An address by Mr. MacArthur before the 13th National Credit Conference sponsored by Credit Policy Conference of the American Bankers Association, Chicago, Jan. 24, 1961.

W. C. Crawford Forms Own Co.

Formation of the investment firm of Walter C. Crawford Co. with offices at 52 Wall St., New York City, has been announced. The company will conduct a general business in investment securities.

Prior to forming his own firm, Mr. Crawford was a partner of D. H. Blair & Co. He was previously associated with Schoellkopf, Hutton & Pomeroy, Inc.

Mathers Partner In Goodbody Co.

Goodbody & Co., 2 Broadway, New York City, members of the New York Stock Exchange and other leading security and commodity exchanges, announces that Lloyd C. Mathers has been admitted to the firm as a general partner, effective Feb. 1. He will be manager of the firm's corporate finance department. Mr. Mathers comes to Goodbody & Co. from Smith, Barney & Co. with whom he had been associated since 1944.


Lloyd C. Mathers

Mullen Joins Vance, Sanders

BOSTON, Mass. — George J. Mullen, Jr. of Boston has become associated with Vance, Sanders & Co., Inc., 111 Devonshire St., it has been announced by Henry T. Vance, President of the large mutual fund distributing firm.

Mr. Mullen, who formerly was associated with Trust Securities Corp., will work out of the New York office of Vance, Sanders, 61 Broadway. He will serve as a wholesale representative, working with investment dealers in the metropolitan New York area, Long Island, New Jersey, and Eastern Pennsylvania.

C. L. Tweedie Opens

LOS ANGELES, Calif.—Cyril L. Tweedie is conducting a securities business from offices at 163 South Fairfax Avenue.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Apparel Stocks — Issues with growth potential — Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Auto Parts Companies—Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Columbia Broadcasting System.**

Bank Stocks—Quarterly comparison of leading banks and trust companies of the United States—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Bituminous Coal Industry — Analysis of outlook with particular reference to **Peabody Coal, Truax Traer Coal,** and **United Electric Coal Companies**—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y. Also available is an analysis of **Mill Factors Corporation.**

Business Review — Bi-monthly publication — Chase Manhattan Bank, Economic Research Department, 18 Pine Street, New York 15, N. Y. Also available is the current issue of "Latin - American Business Highlights" containing articles on Coffee Agreements and Highways in Latin America.

Canadian Business Review—Bank of Montreal, Montreal, Que., Can.

Canadian Realty News—Bulletin—Tankoos & Co., 331 Madison Avenue, New York, N. Y.

Cement Stocks — Survey—Shields & Company, 44 Wall Street, New York 5, N. Y.

Favored Fourteen for '61 — Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are studies of **Berman Leasing Company, Armour & Co., Consoliadted Edison, General Electric, General Tire & Rubber, Joy Manufacturing,** and **Missouri Pacific.**

Financial & Leasing of Industrial Equipment—Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are reports on **Worthington Corp.** and **Admiral Plastics Corp.**

Guide to Success in the Stock Market: Guide to the market; stocks for the surging sixties; stop-loss orders; tax-exempt income; and mutual funds explained—Sponsored by New York Security Dealers Association and Edited by Ira U. Cobleigh—Avon Book Division, Hearst Corp., 959 Eighth Ave., New York 19, N. Y. —paper, 35 cents (by special arrangement brokers may obtain in **quantities** [minimum quantity 25] **from New York Security Dealers Association, 26** Broadway, New **York 4, N. Y.** at a cost of 20 cents **per** copy).

Infra Red Processing — Survey—Globus Inc., 660 Madison Avenue, New York 21, N. Y.

Investor's Aid to Market Opportunities—28 page booklet with investment suggestions—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y.

Japanese Market — Review — Nikko Securities Co., Ltd., 25 Broad St., New York 4, N. Y. Also available is a report on **Honda Motor Co., Ltd.**

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.;** and **Showa Oil Co.**

Japanese Market — Review—Yamaichi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y. Also available are reports on **Mitsukoshi Ltd.** and **Nippon Hodo Co., Ltd.**

Life Insurance Stock—Bulletin—Copley and Company, Inc., 409 North Nevada Avenue, Colorado Springs, Colo. Also available are data on **Scharco Manufacturing, Colorado Insurance Service Co., United Aero Products** and **Frontier Refining.**

New York Bank Stock—Bulletin on leading New York City Banks—Laird, Bissel & Meeds, 120 Broadway, New York 5, N. Y.

Over-the-Counter Index — **Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and** market performance over a 23-**year period** — National Quotation **Bureau, Inc., 46** Front Street, **New York 4, N. Y.**

Portfolios—Three suggested portfolios for various objectives—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Steel Outlook—Bulletin—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

Stocks for 1961 — Bulletin on 10 issues which appear attractive—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is an analysis of **Miehle Goss Dexter Inc.** and data on **Vulcan Materials Company, Kendall Company** and **Chas. Pfizer.**

Taxability of Distributions Paid in 1960 on various mutual funds—Report—Taussig, Day & Company, Inc., 509 Olive Street, St. Louis 1, Missouri.

Trucking Companies — Report—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is an analysis of **Philip Carey Manufacturing.**

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Alco Oil & Chemical Corp.—Report—Chace, Whiteside & Winslow, Inc., 24 Federal Street, Boston 10, Mass.

American Electric Power Co.—Data—Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y. Also available are data on **Clifton Precision Products Co.** and **Fischbach & Moore.**

American Recreation Centers, Inc. —Report — York & Co., Russ Building, San Francisco 4, Calif.

Ampex—Data—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are data on **Raytheon.**

Argus Corp. — Report — Ross, Knowles & Co., Ltd., 25 Adelaide Street, West, Toronto, Ont., Can.

Barber Greene Company — Analysis — A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

Blossman Hydratane Gas—Memorandum — Holton, Henderson & Co., 210 West Seventh Street, Los Angeles 14, Calif.

British Columbia Power Corporation, Ltd. — Detailed Report—James Richardson & Sons, Inc., 14 Wall Street, New York 5, N. Y.

British Petroleum—Memorandum —Pershing & Co., 120 Broadway, New York 5, N. Y.

Brush Beryllium — Memorandum —Ball, Burge & Kraus, Union Commerce Building, Cleveland 14, Ohio.

Cascade Natural Gas Corporation —Analysis—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, N. Y.

Caterpillar Tractor Company—Analysis—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available are data on **Textron Electronics, American Tobacco, Bell & Howell** and **Union Pacific.**

Columbia Pictures — Analysis — Gerald S. Colby, 31 Milk Street, Boston 9, Mass. Also available is an analysis of **Harsco Corp.**

Compo Shoe Machinery Corporation—Bulletin — De Witt Conklin Organization, 120 Broadway, New York 5, N. Y.

Deere & Co.—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Diversa, Inc. — Memorandum—First Citizens Corp., 210 West Seventh Street, Los Angeles 14, Calif.

Embarcadero (Santa Barbara County, Calif.) Municipal Improvement Dist. Bonds—Information—Grande & Co. Incorporated, Hoge Building, Seattle 4, Wash.

Fanny Farmer Candy Shops—Report — Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Ferro Corporation — Bulletin—Carreau & Company, 115 Broadway, New York 6, N. Y.

Fischbach & Moore, Inc.—Analysis—Hardy & Co., 30 Broad Street, New York 4, N. Y.

Flying Tiger—Analysis—Oppenheimer & Co., 25 Broad Street, New York 4, N. Y.

General Portland Cement—Report —Reynolds & Co., 120 Broadway, New York 5, N. Y.

Glass Tite Industries Inc.—Report —Stanley Heller & Co., 30 Pine Street, New York 5, N. Y.

Glickman Corp.—Memorandum—Hirsch & Co., 25 Broad Street, New York 4, N. Y.

Green Dollar Nurseries Inc.—Memorandum — V. K. Osborne & Sons, 9650 Santa Monico Blvd., Beverly Hills, Calif.

Harbison Walker Refractories Co. —Analysis — Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y.

Helene Curtis Industries—Analysis—F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass.

Heublein, Inc.—Analysis—Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y. Also available is a bulletin on **Hercules Powder, Helene Curtis, White Motor** and **Certain-Teed Products** and memoranda on **Pittston, Berman Leasing** and **Fotochrome.**

Heyden Newport Chemical Corp. —Analysis—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y. Also available are reports on **E. J. Korvette Inc.** and **International Resistance Company.**

High Speed Railroading — Article in January issue of "Exchange" Magazine—The Exchange, 11 Wall Street, New York 5, N. Y.—20c per copy; $1.50 per year.

Also in the same issue is a discussion of the **Steel Industry,** and data on **International Rectifier Corp.,** and **Perkin Elmer Corp.**

Illinois Central — Memorandum—Francis I. duPont & Co., 1 Wall Street, New York 5, N. Y. Also available is a memorandum on **Lone Star Cement,** and analyses of the **Oil Industry, Johns Manville, Eaton Manufacturing, Piper Aircraft, New England Electric,** and **Van Raalte.**

Illinois Toll Highway—Review—The Illinois Company, Inc., 231 South La Salle Street, Chicago 4, Ill.

Indiana General Corporation—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Inland Container Corp.—Analytical brochure — Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y.

Lel, Inc.—Report—Bertner Bros., 63 Wall Street, New York 5, N. Y.

Lockheed — Memorandum—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Long Mile Rubber—Data—Dempsey - Tegeler & Co., 210 West Seventh Street, Los Angeles 14, Calif. Also avialable are data on **Laboratory for Electronics, Inc.**

Merchants Fast Motor Lines—Analysis—Dittmar & Company, Inc., 201 North St. Mary's Street, San Antonio 5, Tex.

Missile Systems Corp. — Analysis —George, O'Neill & Co., Inc., 30 Broad Street, New York 4, N. Y.

Misison Corp. — Report—Penington, Colket & Company, 70 Pine Street, New York 5, N. Y. Also available are data on **Maryland Casualty, Archer Daniels Midland, International Minerals & Chemicals, Kern County Land,** and **Koppers Company.**

Nazareth College—Report—B. C. Ziegler and Company, Security Building, West Bend, Wis.

Ohio Oil—Analysis—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available are chart analyses of **Ford Motor Co.** and **Rayonier Incorporated.**

Peabody Coal Company—Report —Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Polytronics Laboratories, Inc. — Report—Theodore Arrin & Co., Inc., 82 Beaver Street, New York 5, N. Y.

Precious Metals—Gold and Silver —Memorandum—Draper, Sears & Co., 50 Congress Street, Boston 2, Massachusetts.

Presbyterian Ministries, Inc.—Report—B. C. Ziegler and Company, Security Building, West Bend, Wisconsin.

Selected Stocks — List of issues which appear interesting according to industry—Emanuel Deetjen & Co., 120 Broadway, New York 5, New York.

Raw Sugar Prices—Chart of comparative prices—Lamborn & Company, Inc., 99 Wall Street, New York 5, N. Y.

Standard Oil of Indiana—Report —L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Stephan Company — Analysis—Roman & Johnson, 15 Southeast Third Avenue, Ft. Lauderdale, Fla.

Sulray, Inc. — Report—Harris Securities Corporation, 79 Wall St., New York 5, N. Y.

Thompson Ramo Wooldridge Inc. —Review—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Thrifty Drug Stores Co.—Memorandum—R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y.

United Shoe Machinery—Analysis —W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Vitramon Inc. — Memorandum—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

R. H. Manganaro Opens

WEST CHESTER, Pa. — Richard H. Manganaro is engaging in a securities business from offices in the F. & M. Building under the firm name of R. H. Manganaro Co. He was formerly with Thayer, Baker & Co. and A. J. Sailer & Co.

Outlook for Business And the Stock Market

By Dr. Joseph V. Yakowicz, Manager of Research Department, Blair & Co., New York City

Even though the foreseeable future promises only moderately paced economic growth and an end to increasing price-earnings ratios this does not preclude the presence of rewarding, carefully selected stocks. Dr. Yakowicz is certain of this, and he identifies the industries he believes will benefit from science and technology as well as those that offer recurrent profit opportunities in cyclical stocks.

The prevailing opinion about business seems to stress that we are going through a "mild" recession, that the downtrend is likely to be brief, and that a recovery is likely to develop during the second half, with the turning point generally expected about mid-1961. These expectations are supported by the assumption that the new Administration is committed to large government spending for defense, welfare, highway and school construction, etc., and that these measures give strong assurance against the possibility of a prolonged or serious economic setback. The post-war experience during the 1949, 1953-54 and 1957-58 business declines appears to reinforce this type of thinking.

While there is a considerable element of realism in this appraisal of business prospects, it is our opinion that government spending is not likely to jump as quickly as many investors might expect, that the impact of increased government expenditures is likely to be gradual, and that there is no magic of a mid-1961 upturn in business. We, too, expect government outlays to trend higher and expect appreciable support for the economy from this source during the coming year. The annual rate of spending by all levels of government for goods and services should approximate $109 billion during the final quarter this year, up from $100.5 billion during the third quarter of 1960 and our estimate of about $102 billion during the final quarter. This would suggest a rise of about $7 billion over the next 12 months. Since combined Federal, state and local spending for goods and services has been increasing at a rate of about $6.2 billion during the last two years, no marked stimulus to business is indicated from the $7 billion increase during the coming year.

Moreover, inventory liquidation, the downtrend in capital spending, and disappointing consumer demand could more than offset the projected rise in government outlays over the immediate future. During the moderate 1957-58 recession, inventory liquidation reached an annual rate of $7 billion. With capacity ample, the threat of inflation eased, and inventory controls more effective, the reduction of business inventories which began on a modest scale in recent months may well again approach the rate experienced during the 1958 readjustment. Obviously, such a development would wipe out the impact of rising government outlays. Additionally, consumer spending has eased recently with seasonally adjusted retail sales down in November and December from the October level. With respect to capital spending, McGraw Hill's recent survey indicates that business intends to reduce capital expenditures by 3% in 1961 and these intentions can be revised downward if earnings over coming months are below expectations. Of course, massive new government counterrecessionary programs, including a possible tax cut, could hasten a business revival.

Careful Selection But Not Pessimism

We would make allowance for additional periods of market weakness over the near term for the following reasons:

(1) We are still not certain precisely how "mild" the current recession may be. With capacity more than ample and the more urgent consumer demands more or less satisfied for the time being, it is possible that the current recession will be more troublesome and persistent than previous post-war readjustments, but this will depend importantly on the course of government policies.

(2) Expectations of immediate and large-scale new spending programs under the Kennedy administration may not be realized. At best, these usually take time, and, moreover, the serious outflow of gold and a conservative Congress may provide some restraint on the new Administration's fiscal and monetary policies.

(3) The recent rally in the stock market may be expecting too much too soon from the new Administration.

On the other hand, the Dow-Jones Industrials are down some 8% from the 1960 Jan. 4 high of 684 and the averages do not tell the full story of the market setback experienced during the current year. A representative index of steel stocks shows a decline of 25% from its 1960 high, rubbers are down 23%, autos 23%, chemicals 21%, paper 16%, etc. Many individual stocks are down even more sharply. Therefore, much bad news about earnings, dividends and business is already discounted and many individual issues probably have already seen their lows on this move. Even more important, certain activities are relatively unaffected by the business decline, for example, drugs and cosmetics, amateur photography, data processing, advertising, publishing, food and tobacco consumption, etc. In the case of space and missile activities and other beneficiaries of higher government spending, there are no worries about the recession. New products, new markets or other significant developments are producing new sales and earnings peaks for still other companies.

In brief, it looks like a continuation of highly divergent trends in the market with many attractive individual investments likely to develop. Overall, the averages may experience additional periods of weakness early in 1961, but a recovery approximating the record high of 684 in the Dow-Jones Industrials by the end of the year appears to be a reasonable expectation.

Investment Opportunities in the Year Ahead

If we examine the fundamental features of our economy and the stock market during the post-war years, two developments appear to stand out:

(1) This was a period of considerable expansion in industrial output, corporate earnings and dividends.

(2) Even more important from the viewpoint of stock prices, mounting investment confidence pushed price-earnings ratios to peak levels.

The Federal Reserve Board's Index of Industrial Production, which averaged 75 in 1950, reached an all-time high of 111 early in 1960; total corporate earnings before taxes of $40 billion in 1950 rose to a new peak of $47 billion in 1959; dividends of $9.2 billion in 1950 expanded to $13.4 billion in 1959. In brief, industrial production during the period under consideration increased 50%, corporate earnings 18%, and dividends 46%.

However, in response to growing investor enthusiasm, the rise in stock prices outpaced the gains in industrial output, earnings and dividends by a considerable margin. The Dow-Jones Industrial index, which stood at about 200 at the beginning of 1950, has about tripled to its present level of about 635. In other words, the markets responded not only to the growth of earnings but even more so to the expansion of investor confidence which pushed the average price-earnings ratio of industrial stocks from about 7 in 1950 to its present level of about 19. The steady rise of investor confidence during this period reflected such factors as widespread inflation psychology, marked mitigation of recession fears, growth psychology, favorable political climate, economic recovery and political stabilization of Western Europe and Japan, some progress toward stabilization of international relations and the impact of the upward momentum of the market itself.

Profits and Price-Earnings Outlook

Can we expect a repetition of the broad upward sweep of profits and price-earnings ratios of the past decade during the coming year and the foreseeable future? After a hectic period of expansion, it is possible that our economy will grow at a more moderate pace over the next several years, digesting the impressive expansion of industrial capacity and satisfaction of many of the more urgent consumer needs for housing and durable goods. Also, we can hardly expect price-earnings ratios to continue to multiply virtually without interruption since it appears that inflation psychology, growth expectations and the other factors which have strengthened investor confidence are already reflected in current market appraisals to a great extent.

However, this does not mean stagnation and lack of investment opportunities. Far from it. With research and development expenditures in excess of $10 million and likely to double within the next 10 or 12 years, certain areas of our economy will receive a powerful stimulus. The drug industry, data processing, industrial electronics and plant automation, photography, optics, fibreglass, high temperature plastics, mechanical vending, space exploration, such specialty metals as columbium, tantalum and beryllium, etc., are some of the activities which should benefit greatly from the unprecedented progress of science and technology. Thus, while growth for a while may not be as all-embracing and rapid as in the recent past, prospects for certain activities, products and companies look as dynamic and intriguing as ever. Moreover, over the intermediate future, many companies are likely to benefit considerably from the prospective expansion of government spending.

Finally, there are always recurrent profit opportunities for the investor in cyclical stocks. The present growth-stock fever should not obscure the fact that cyclical market swings are often as swift as those for special situations or growth equities, and the turn of the cycle is usually more dependable and predictable than the problem of projecting earnings of most growth stocks several years in advance. In this respect, it appears to us that selected chemical, tire and rubber, farm equipment, truck manufacturing and paper equities are already attractively priced for sizable recovery potentialities over a period of time.

In conclusion, even though I do not anticipate a boom in the economy or investor psychology in the period ahead, investments in carefully selected stocks are likely to prove very rewarding.

Morris Goldstein Opens

SPRINGFIELD GARDENS, N. Y. —Morris Goldstein is conducting a securities business from offices at 186-11 Merrick Boulevard.

Hawes Nominated By Chicago Bond Club

CHICAGO, Ill.—Hardin H. Hawes, senior Vice-President, Harris Trust and Savings Bank, Chicago, has been nominated for President of the Bond Club of Chicago as the organization celebrates its 50th anniversary year. Broadus J. Clarke, the club's first President in 1911, was also a Harris Bank official. Mr. Hawes is in charge of the Investment Department at Harris Bank. The Bond Club's nominee is a member of the Board of Governors of the Investment Bankers Association of America and, also, is active on its governmental securities and finance committees. In addition, he is a Past President of the Municipal Bond Club and is a member of the Bankers, University and Exmoor Country Clubs and the Illinois Seniors.

Hardin H. Hawes

N. Y. Hanseatic Names Officials

New York Hanseatic Corporation, 120 Broadway, New York City, has appointed Frederick S. Moore of the Boston office an Assistant Vice-President of the firm. Hugh J. Donnelly and Angelo J. Lombardo have been named Assistant Treasurers; and John D. Lelong and Raymond H. Quaid, Assistant Secretaries.

Two With Westheimer

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Sheldon M. Fisher and Lee Hartzmark have become affiliated with Westheimer and Company, East Ohio Building. Both were formerly with Goodbody & Co.

The Business Outlook

By Dr. Gordon W. McKinley,* *Executive Director of Economic and Investment Research, Prudential Insurance Company of America, Newark, N. J.*

Insurance economist concludes we are headed for a mild dip this first quarter, a recovery in the next quarter and an accelerated pace in the second half. This quantitatively means a $10 billion GNP rise over 1960 to $514 billion. Admittedly not a boom, Dr. McKinley expects plant, equipment and inventory spending to decline but by $5 billion and areas of strength to repose in consumer spending, including durables, foreign trade, housing, and government spending.

In the coming year, there will be two areas of the economy—inventories and plant and equipment expenditures — which will experience some decline.

Gordon W. McKinley

The inventory adjustment, which has been going on ever since the first quarter of 1960, is likely to continue in the opening months of 1961. So much of the adjustment has already been accomplished, however, that the remaining cutback will probably be small. Inventory-sales ratios at present are not high by historical standards; in fact, retail ratios in most lines are more favorable than at any previous time in the postwar period. We estimate that the cutback in inventory buying for the full year 1961 will not amount to more than $2 billion. This cutback will exert some depressive effect on business this year, but the effect will be quite moderate compared to the $13 billion cutback in inventory buying which occurred between the first and last quarters of 1960.

The second area of the economy which will exhibit some weakness in 1961 will be business expenditures on plant and equipment. Many industries today are operating considerably below capacity, profits have been squeezed leaving less money available for capital spending, and manufacturers' capital appropriations have declined during the past year, signaling a reduction in expenditures in the year ahead.

Fortunately, however, the decline in capital expenditures, like the decline in inventory buying, is likely to be small, for a number of reasons. First, we have not had an excessive capital goods boom similar to that which occurred in 1956-7, so that there is no need for a large cutback. Even at the peak of the recent rise in capital expenditures, this type of spending was still below the normal ratio to national output. Second, the proportion of capital spending which is for replacement and modernization rather than for expansion is growing. Replacement and modernization expenditures are much less likely to be reduced because of swings in business psychology. Third, greater competition both at home and abroad and the upward push of labor costs is forcing more rapid adoption of labor-saving machinery. Finally, private non-residential construction contract awards have been strong all during the past year and there has been no recent weakening of this lead indicator.

For the reasons I have given, we estimate that the decline in plant and equipment expenditures in 1961 will not exceed $3 billion, or 6%.

Although the decline in business capital expenditures and in business inventory buying will tend to pull general business activity downward, there will be four other broad types of spending which will be rising in 1961.

Expects Rising Foreign Trade

First, our foreign trade will continue very strong. Here I want to differentiate between our over-all balance of international payments and that portion of the balance which is accounted for by the export and import of goods and services. A most encouraging development during the past year has been the striking improvement in the U. S. merchandise balance of trade. Imports have remained about the same level as in 1959, but exports have risen very sharply, so that the balance of our exports over our imports has risen to one of the most favorable levels in the past decade.

The fact that we have a favorable merchandise balance does not mean, however, that we have solved the deficit in our over-all balance of international payments. The United States makes a very heavy volume of payments abroad in connection with aid to underdeveloped countries, grants and loans of various types, and our military contribution to NATO. In addition, private long-term capital flows out for investment abroad. The basic problem is that the volume of these payments in connection with government and private capital movements and grants is greater than our trade surplus. Despite the improvement in our exports, our trade balance is still not large enough to pay for all the grants, gifts, and investments which we want to disburse abroad. This means that we end up with an international deficit, which is paid for either by an outflow of gold or by an increase in the volume of dollar balances owned by foreigners. During the past year this difficulty has been intensified by the fact that higher interest rates abroad attracted short-term balances from the U.S. These factors, coupled with fears of future easy-money policies in the U. S., have resulted recently in an alarmingly rapid outflow of gold.

The problem of the deficit in our over-all balance of payments will not be solved in 1961, but we have taken and we will continue to take steps toward its solution. One such step is to devote every effort toward a further increase in our merchandise exports. In the year ahead, because of continued efforts by our government in securing reductions in foreign tariffs and quotas and because of more aggressive salesmanship by our businessmen, our trade balance is likely to show a further improvement of about $1 billion. This will not only make a contribution toward the solution of the balance of payments problem, but will provide welcome support to domestic business activity.

A *second* area of strength in the new year will be housing. I realize that there are a number of reasons why we cannot expect an all-out boom in housing in 1961. First, housing demand is no longer bolstered by a large undoubling of families or unrelated individuals who previously had shared a single housing unit. In many postwar years, undoubling accounted for as much as 20% of total household formation, but most of this potential has now been used up. Second, vacancy rates have risen steadily in recent years, and builders are less willing to embark on large scale developments simply because the financing is available. Third, rising land costs and labor costs have pushed home prices up more rapidly than average family income, thus limiting the market for new housing. Finally, the government has exhausted its ability to provide effective stimulation to housing through a progressive extension of maturity terms and lowering of down payments.

For these reasons, the rise in residential construction this year will not be as dramatic as in some prior postwar years. Our studies nevertheless convince us that the basic demand for housing is higher than that which has shown itself in the marketplace in recent months. This latent demand, coupled with the increased flow of mortgage money in the year, should produce a slow but steady rise in housing output. We expect an increase of 6% in housing starts, and a rise of $1 billion in residential construction expenditures. This rise will be important not just to the building industry but to all the many industries whose products are used in the home.

Sees Consumer Spending Going Up

A *third* area of strength in the year ahead will be consumer spending. Most of the items in the day-to-day cost of living of the American consumer consist of nondurable goods and services. Food, clothing, rent, medical care, entertainment — all these and many others involve purchases which must be made over and over again and are thus regular features of the typical family budget. About 15% of consumer purchases is devoted, however, to durable goods—such as automobiles, refrigerators, and television sets—and consumer spending on these items is much less regular.

Consumer purchases of durable goods tend to move in waves or cycles, which are related partly to economic conditions, partly to the lifetime of the durable good itself, and partly to unusual events such as war or the imposition of government controls on consumer buying. Once such a cycle is started, it is likely to continue in the future until it gradually loses intensity or is perhaps abruptly changed by some new force.

One of these great waves in consumer durable goods buying occurred five years ago. In 1955, when durable goods purchases jumped upward by 30%. Following this sudden rise, consumer durables buying leveled off, remained constant all through 1956 and 1957, and then dropped during the recession of 1958.

Another wave of such buying occurred in late 1958 and early 1959. As in the previous cycle, after the initial surge consumer purchases of durables leveled off, and remained approximately constant right up to the end of 1960. Although the timing of this recent cycle of durable goods buying has thus far been identical to the earlier cycle, its intensity has been much less. Whereas durable purchases jumped ahead by 30% in early 1955, they rose by only 22% in early 1959. Because of this reduced intensity of the upswing there is less likely to be an appreciable cutback in durable goods buying in 1961. In other words, the intensity of the cycle on both the up and the down side —is diminishing. After some hesitation in the opening months of this year, we estimate that consumer purchases of durable goods will begin to rise in the second quarter, and continue upward more strongly in the second half.

Consumer spending on nondurable goods and services will probably move ahead throughout the year. Toal consumer expenditures, including purchases of durable goods, will probably rise in 1961 about $9 billion above the 1960 figure, providing strong support to business activity.

The *fourth*, and final, area of strength in the 1961 economic picture will be the support provided by rising government purchases of goods and services. In considering the effect of government spending, it is sometimes overlooked that the state and local governments in the United States today purchase almost as much as does the Federal Government, and state and local government buying has been advancing year after year throughout the postwar period. In 1961, these smaller governmental units will again increase their purchases, by almost $4 billion.

Federal Government spending will also rise steadily throughout 1961. The increase in defense expenditures, which had been started by the Eisenhower Administration, will be continued and probably accelerated under the new Administration. Although such new programs as may be launched under the Kennedy Administration will not be sufficiently underway in 1961 to reflect their full impact in this year's spending totals, the rise in Federal purchases will nevertheless match the increase by all state and local governments.

For the full year 1961, total government purchases of goods and services will probably rise $7.5 billion above the $100 billion spent in 1960, and are likely to reach a $111 billion rate by the fourth quarter of the year.

Summary

I have analyzed the 1961 outlook in terms of six major spending, or buying, segments of the economy. Two of these segments —capital expenditures and inventory buying—are likely to exhibit some weakness, particularly in the early part of the year. There will, however, be four segments—foreign trade, housing, consumer buying, and government purchases — which will be rising steadily and quite substantially. Putting these different areas together, what can be said in summary about the general business picture?

In the first quarter of 1961, the American economy is likely to experience a mild dip. The decline in national output will probably be small, and it will be shortlived. By the second quarter, output will be rising again and the pace of the advance will accelerate in the second half. We estimate that gross national product for the full year of 1961 will total about $514 billion, an increase of $10 billion above the figure for 1960. By the fourth quarter it is quite possible that national output will be running at a rate $20 billion higher than in the fourth quarter of 1960.

In giving these estimates, I am not pretending that an all-out boom will get underway next week. For the past nine months, the U. S. economy has been experiencing the slowdown which is an inevitable accompaniment of an attempt to get inventories back into line. This adjustment will continue for a few more months and is likely to cause a minor setback during the first quarter. Thereafter, however, the upward drive of the American economy will once again demonstrate the power and the resiliency and the dynamism of our free enterprise system.

I am sufficiently confident that our economic system is a good system and a successful system that I have small patience with those who are always looking for some great breakdown of our economic machine, and who argue at the beginning of every minor setback that *this time* we will not recover as easily as we have from previous postwar contractions. My own view is that the current adjustment will be accomplished more rapidly and with less interruption of our forward progress than has been the case in any previous business setback.

*From an address by Dr. McKinley before the Businessmen's Conference sponsored by the Commerce Trust Co., Kansas City, Mo.

Hardy & Co. Admits Duke

A. St. George Biddle Duke, son of Angier Biddle Duke, the new U. S. Chief of Protocol, has become a general partner of the New York Stock Exchange firm of Hardy & Co., 30 Broad Street, New York City.

A. St. G. Biddle Duke

Mr. Duke, a graduate of Duke University in 1959, joined Hardy & Co. in January, 1960.

V. F. Naddeo Co. Opens in N. Y. C.

V. F. Naddeo & Co., Inc. has been formed with offices at 26 Broadway, New York City, to engage in a securities business. Vincent F. Naddeo is President of the new firm, which has opened a direct telephone service to Cook Investment Co. of Chicago.

With Pini-Dietz

AURORA, Ill.—Maurice Dorfman is now with Pini-Dietz & Company, 314 North Lake Street.

Why Common Stocks Are the Best Long-Term Investment

By James J. Minot, Senior Partner, Paine, Webber, Jackson & Curtis, Boston, Mass.*

Sagacious investment advice is to be found interspersed among the comments made about the market outlook and of representative issues with particular appeal. Mr. Minot started his climb up the ladder to senior partnership in 1913. Based on extensive experience, he argues strongly in favor of dollar averaging. He is bullish about holding common stocks; foresees market advance in the 1960's but at a less spectacular pace with perhaps more violent downward movements; expects real estate investment trusts may be a feature of the 1961 investment market, and warns against wonder stocks that are overpriced.

Let me try to project my thinking into the decade of the '60s. I am optimistic enough to believe that our new President realizes the necessity of sound money. It seems to me his appointments definitely indicate that we are not going to hear too much about, "isn't human life and comfort more important than the dollar?" Obviously we all agree it is, *but* sound money is an essential concomitant to life and happiness.

James J. Minot

There continue to be many "wonder" issues now selling at price earnings ratios completely unjustified unless earnings pyramid by almost geometric progression. Everyone would like to know which to hold and which to sell. I can give no valid advice except to be very skeptical and figure out what earnings would have to be five years from now in order to then have such stocks sell at, say, a 15 times ratio. The investor must consider the probable difficulty of selling these so-called new growth issues when and if the climate changes.

Today's Values

The most attractive values today, can be found in the well-managed and proven companies of fair to high quality, but perhaps particularly those that have suffered certain vicissitudes now and in the recent past. I look, therefore, for better things to come and do not rely more than in part on past performance.

At the recent low point, the Dow Industrials were selling at about 18 times their 1959 earnings and at 19½ times their average earnings for the 1957-59 period. Individual issues in this index had price earnings ratios ranging from eight times to almost 35 times — a very wide spread indeed.

By way of comparison, an excellent quality common stock should be worth perhaps 15 to 20 times earnings. It would seem, therefore, that at current levels the high grade components of this average are selling at a fairly reasonable relationship to their recent earnings.

While some groups of securities are currently depressed—such as the oils and coppers, which have undergone a bear market for some three years—there are other groups that have enjoyed phenomenal gains and are selling at what might appear to be exorbitant prices. Even so, the stock market today is not in a class with the 1929 market, when the vast majority of stocks were selling at very inflated prices.

There were many glowing forecasts early last year as to what is in prospect. Much of that enthusiasm has been dampened. Nevertheless, the underlying premise is still sound: that substantial growth is going to be with us in the years ahead.

It is anticipated that in the '60s our population will rise from 180,000,000 to 214,000,000. Our gross national product, which is running at $500 billion compounded at 4% annually, can be expected to reach the neighborhood of $750 billion to $800 billion by 1970.

Dividends probably can be increased again on the Standard & Poor's industrials from their present level of $2.05 to $3 or slightly more.

It is reasonable to assume that the market could advance from its recent high of 65 on this index to perhaps 100—1 or 50%—in the next decade. This means, of course, that the market would advance one-sixth as fast, if this forecast is accurate, as it did in the decade of the '50s.

The market will have less spectacular advances in the '60s and perhaps more violent downward movements. It is going to require a great deal more skill to select capital gains vehicles than in the recent past.

The search for growth situations will continue, but will be increasingly difficult to find; but many will exist and offer great opportunities to the investor.

New Products in Prospect

Enormous funds are being spent annually by American corporations for research. This continues to accelerate and many new products will be developed. To mention a few, the possible fields of new discoveries could very well include:

(a) desalinization of sea water.
(b) fuel cells.
(c) thermoelectric power.
(d) electroluminescense.
(e) new means of propulsion.
(f) solution of air pollution.
(g) labor saving devices in processing for office use.

Many thought the election of Mr. Kennedy might bring easier money. However, long-term, high-grade municipals exempt from taxes can be purchased to yield 3.50. Many feel they should confine purchases to short and medium maturities. I believe long term securities, with a relatively high yield, are attractive. For investors in the 50% bracket this is equivalent to dividend income of 7%; if we relate it to a growth stock paying little or no dividends, it would be equivalent to an annual appreciation of between 4½% and 5%.

Business Outlook

Current business can be described best by the phrase "modest recession." The high plateau of activity forecast for the first half is still declining, although there are certain signs of "better things to come." Recently one of the leading bankers in Pittsburgh said about the steel business, "Executives generally can scarcely be more depressed, and it is my experience that when they are so blue a turn is about due." All are watching carefully for significant changes in new orders for durable goods, raw material price index, residential construction, business failures and average hours worked in maufacturing. Service, luxury and recreational activities seem to continue at an unexpected high level.

There also is some evidence, although tentative, that the long decline in residential construction might have bottomed out. Residential housing is one of the most consistent early indicators of business revival.

A third significant factor is the step-up in defense orders. This has not yet affected shipments but it is believed it will make a plus factor in the near future.

In general government spending looks almost certainly higher, based on the statements of the recently-elected President. In assessing the pros and cons, one might come to the conclusion that the recession might last for several more months, but its extent might be only half as severe as the 1957-1958 recession.

There is no easy answer to the dangers of inflation. If we ease money much more we might accentuate the outflow of gold.

The Realty Trusts

Investors can well afford to take a "good look" at some of the new real estate investment trusts, which could be a feature of the 1961 investment market. The principle would be the same as that applied to the investment trusts. The trust itself will not be taxed, so double taxation no longer will inhibit the collective ownership of real estate. Traditionally, real estate has been a good hedge against inflation.

I am always bullish on something. While I believe that now is a good time to have a cash reserve, if I were faced with a choice of owning nothing but common stocks or nothing but U. S. Government bonds, I would pick common stocks. Even if the market goes a great deal lower—and, parenthetically, I don't think it will—common stocks are the best long-term holding.

Our firm has underwritten many growth situations, among them Itek, Laboratory for Electronics and Scantlin. You can make a good case for any one of them and yet all are selling at prices that bear little relationship to earnings; any of them could be affected by a "cold blast."

Sheraton has been a great growth situation and with the present competent management it should so continue. Always near the top stands General Telephone & Electronics Corp. The chief executive and Chairman, Don Power, said recently that no equity financing would be necessary in 1961. So present considerable profits will continue to grow with expanding net earnings.

In spite of the fact that Gillette is selling close to its record high, it has a great future and will continue to grow. It is interesting to note that the buyer of 100 shares when the stock was introduced to the public during World War I at the offering price of $80 would today have 3,361 shares now worth over $300,000 and would, in addition, have received many thousands of dollars in cash dividends.

Paine, Webber, Jackson & Curtis recently offered Green Shoe Manufacturing Co. Earnings before taxes increased in every year for the last ten. As population continues to multiply, there is no reason this growth shouldn't continue indefinitely. The company's only product is shoes for children. At the present price of 25, the current dividend of 90 cents gives a yield of less than 4%.

A "New" Company

W. R. Grace & Co. has been greatly misunderstood. Ten years ago, Grace earnings derived about fifty-fifty from steamship and South American activities, with bank and miscellaneous less than a million dollars. However, about five years later, South American earnings had shrunk, and steamship income had shrunk more so that the two together accounted for only slightly over 60% of earnings. Diversification in chemicals then became important and accounted for approximately one-third of earnings, with bank and miscellaneous income providing the balance. This year, earnings in dollars will be about the same as about five years ago and well over two-thirds will be from chemicals; steamship operations will lose money, and South American activities will be not far different; bank and miscellaneous revenues will move up moderately. In my opinion, in 1960 over $2 a share of Grace earnings will be accounted for by the chemical divisions. I am certain that the steamship loss will be eliminated one way or another and, when it is, Grace will command a price more commensurate with its chemical activities.

Foster Grant is traded in the Over-the-Counter market and is considerably undervalued. Assuming no change in the general market, this stock can be expected to double within three to five years. The price has been held down by a recent substantial cut in the price of polystyrene. For the long run, this is a bullish development; however, I expect to see no increase in 1961 earnings and they will be about the same as the $1.61 for the year ended Sept. 30, 1960.

Foster Grant's new polyethylene plant will be in production shortly and a substantial increase in earnings can be expected in 1962.

Attractive Fire Stocks

Among other stocks, I like the fire insurance companies. Historically, in many European countries after World War I, investment in fire insurance companies proved able to conserve values better than any other class. Fire insurance stocks have been greatly depressed, especially those that are not rated as the better "blue chips." Nearly all of them have paid dividends for 100 years or more and all but a very few are selling in the vicinity of 50% of liquidating value. In this general category, there are particularly Home, Continental, Great American and Phoenix.

Tennessee Gas & Transmission and El Paso Natural Gas is likeable. Under its new president, Colgate Palmolive might come out of the doldrums. Once it was a blue chip and it could be again.

I will "stick my neck out again.

Rexall earnings for 1960 will be about $2, earnings for 1963 should be twice that, and the stock should double by that time.

Dollar Averaging

I can't end without emphasizing "the only sure way to get rich" is dollar averaging. This is best done through the medium of investment company shares. There has never been a period of over about five years when, if you purchased every stock listed on the New York Stock Exchange in equal dollar amounts monthly, you would not have been ahead. I am always a bull on our country. Over any considerable period, selected common stocks are the best investment. I believe in a balanced investment portfolio and at the present time suggest a backlog of municipals, governments or corporate bonds, depending on your individual tax bracket.

*Remarks by Mr. Minot at the Third Annual Investment Outlook meeting sponsored by the Minneapolis office of Paine, Webber, Jackson & Curtis, Jan. 12, 1961.

Reynolds Names Norfleet Partner

Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading security and commodity exchanges, has announced that Norwood Norfleet has been admitted to the firm as a general partner.

Norwood Norfleet

Mr. Norfleet, a native of Winston-Salem, N. C., joined Reynolds & Co. in 1952.

Reynolds & Co., founded in 1931, is one of the nation's largest investment firms. It has 37 offices from coast to coast.

Fischer Heads Lawrence Dept.

John N. Fischer has joined the New York Stock Exchange member firm of Cyrus J. Lawrence & Sons as manager of the firm's investment research department.

Established in 1864, Cyrus J. Lawrence & Sons maintains headquarters at 115 Broadway, New York City.

W. A. Popper Opens

Wolf A. Popper is engaging in a securities business from offices at 60 East 42nd St., New York City.

Florida's Bright Future Based on Sound Economics

By J. P. Taravella, Executive Vice-President and General Manager, Coral Ridge Properties, Inc., Fort Lauderdale, Florida

Factors favoring Florida's impressive growth performance and the types of firms which can successfully weather irregular periods of uncertainty are described by Mr. Taravella. Using his firm as an illustration, the writer stresses requirements firms must have in order to share in Florida's bullish future.

The economic uncertainty of 1960 was also reflected in Florida land development company performance. Many of the highly-publicized, so-called "glamorous" land stocks lost much of their lustre. Cash dividends were few and far between, and the outlook for earnings in some companies remained dim, according to analysts. One Florida business editor stated glumly that "the bloom was off the rose," but noted that there were bright spots, citing particularly Coral Ridge Properties, Inc., for paying its dividends regularly, noting that its stock was selling at about the original market price, with its developments paying off in many ways.

Joseph Taravella

However, this uncertainty has not disturbed those who have weathered many such economic periods before. Prudent and realistic Florida business leaders like MacGregor Smith, Chairman of the Board, Florida Power & Light Co., Eddie Rickenbacker, Eastern Airlines, James S. Hunt, President and Chairman of the Board of Coral Ridge, and Gov. R. H. Gore, pioneer Florida publisher and financier, have built solid foundations capable of withstanding what they consider to be a leveling out process to be expected periodically in any economy. They are all emphatic that this uncertainty is no reflection on Florida's growth potential. These men stand out in the growth of Florida because they have built with Florida on a sound premise rather than the false premise used in some of the quick promotions which have plagued our state since the "boom and bust" days of 1926.

The same ideal climate conditions and growth potential which have attracted people to Florida, from its very beginnings are still here. Nationally, with a new citizen born every 7½ minutes, with the "war babies" now of marriageable age, with millions of people retiring every year and wanting to enjoy warm, tropical living, Florida has only one future: up and bright as sunshine. Florida is the fastest growing state in the nation, with a gain of 2,000,000 new permanent citizens since 1950—a weekly net gain of 5,308 persons. Ranking 20th in population in 1950, Florida is estimated by the U. S. Census Bureau to move into 9th place in the United States by 1965.

Florida's population, contrary to popular belief, is not principally composed of retired individuals as 37% are under 21 years of age; 53% are from 21 to 64, and only 10% are 65 and over. These are about the U. S. averages, and make for a good balanced population.

Nationally, tourism is the third largest industry, with expenditures in excess of $21 billions, expected to double within 10 years. Florida annually gets its share by attracting some 8,000,000 tourists, who spend in excess of $1½ billion. However, while increased tourism is still the mainstay of Florida's economy, we are working hard to diversify that economy and more evenly balance it by attracting thousands of new businesses and industries to Florida each year. In short, we are adjusting to the times, for certainly "change is here to stay." We are not at the end of the Iron Age, but at the beginning of the Atomic Age. Florida is a young, fresh pioneer state, and with the national accent now on new ideas, the combination of the two will go hand in hand towards realization of Florida's potential in this technological age.

Businesswise, Florida land companies which keep their feet on the ground, plan well, and keep themselves healthy and flexible financially, will grow and prosper right along with Florida's growth. Those which load themselves down with impossible tax and interest burdens, start out on a false premise trying to develop areas years away from the normal lines of growth will find themselves in difficulties when their "pie-in-the-sky" promises are impossible to keep. They will either end up more sober and wiser and grow soundly, or they will go out of business. Most Florida land is good and will eventually come into its own, but obvious dangers exist in trying to force development in remote situations beyond normal patterns of growth and attempting to build "cities" overnight, notwithstanding vast programs of costly promotion, and unrealistic financing. A major factor in our company's success over its 15-year history has been its policy of selling on the basis of either all cash, or 50% cash, balance in one and two years. The company also has no interest or carrying charges on the majority of its land indebtedness, and can, therefore, show profits even on reduced sales. Since we are not pressed for land inventory for sales, we can acquire additional land under terms and conditions most advantageous to us, on the premise that "a purchase well-made is half-sold."

We are all bullish on Florida's future, and in evidence note that Coral Ridge is the largest taxpayer in Broward County, exceeded only by the two utilities, Southern Bell Telephone Co., and Florida Power & Light Co. Implementing President Kennedy's call for extensive housing on an average level, and contributing something besides words to the economy of the country, we recently announced the model ground breaking on the new $9,000,000 Coral Ridge Towers—a 330-unit cooperative apartment residence on the Intracoastal Waterway overlooking the Galt Ocean Mile and Atlantic Ocean. This year will also see the opening of the $6,000,000 Coral Ridge Shopping Plaza in Fort Lauderdale. In addition, we anticipate the same steady day-to-day sales of our readily salable Fort Lauderdale inventory of residential, business and commercial lots, as well as increased net revenue from ocean front ground leases, on the Galt Ocean Mile.

Nineteen Sixty-one will be another year of progress for Florida, which continues to move forward in a cumulative way each year, as more and more people and industry gravitate towards the tropical way of life. Perhaps this is best typified by the remark of a visitor I overheard as he emerged from the ocean at our Galt Ocean Mile Hotel. He turned to his wife, and with great enthusiasm and sincerity said, "This is it! This is the life!" As long as people have this fundamental conviction for living in South Florida, Florida will continue to move forward! Florida is building on a sound premise!

Heads Wellington's Pittsburgh Office

PITTSBURGH, Pa.—William H. L. Sullivan has been placed in charge of the Pittsburgh office, 500 Grant Street, of Wellington Distributors, Inc., wholesale distributing organization for shares of Wellington Fund and Wellington Equity Fund, it was announced by Joseph E. Welch, President. Mr. Sullivan succeeds A. Bruce Brower, who was appointed Executive Vice-President and Director of distribution for Wellington Co., Inc., national distributor of the funds.

W. H. L. Sullivan

Mr. Sullivan has been associated with the Wellington organization since 1956, when he joined the Pittsburgh staff. Subsequently, he was placed in charge of Wellington's St. Louis office, a post he held until his present promotion.

Mr. Sullivan has had wide experience in the mutual fund field and was at one time associated with the Philadelphia office of a New York Stock Exchange firm.

Starfire Boat Stock Offered

Pursuant to a Jan. 16 offering circular, F. R. Burns & Co. Oklahoma City 2, Okla. (managing) and Copley & Co., of Colorado Springs, Colo., publicly offered 70,000 shares of the 10 cent par value common stock of Starfire Boat Corp. at $4.25 per share.

Starfire, located in Tulsa, Okla., is a manufacturer of a luxury line of fiberglass boats.

The proceeds will be used for general corporate purposes, including the purchase of parts and supplies, plant rental, the repayment of indebtedness, advertising and promotion, the design of new boat models, expansion, and working capital.

Named Directors

Election of three new members of the Board of Directors of Chance Vought Corp. has been announced by F. O. Detweiler, President.

The new directors are Edward J. Morehouse, Vice-President of Harriman, Ripley & Co., New York City investment banking firm; Lester T. Potter, President of the Lone Star Gas Co., Dallas, and Frederick E. Burnham, Chance Vought's Vice-President—Finance.

Hawkes To Admit

Hawkes & Co., 30 Broad Street, New York City, members of the New York Stock Exchange, on Feb. 3 will admit Olivia Maugham and Emanuel I. Birnbaum to limited partnership.

To Be Diamond, Steckler

Effective Feb. 1 the firm name of Diamond & Co., 120 Broadway, New York City, members of the New York and American Stock Exchange, was changed to Diamond, Steckler & Co.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Mountain Fuel Supply Company

Mountain Fuel Supply is an integrated natural gas company with annual revenues of about $32 million. It was started in 1929, and through consolidation and mergers in 1935 acquired its present name. It serves a population of 690,000 in Salt Lake City, Ogden, Provo, Logan, Brigham City and 70 other communities in Utah and seven in southwestern Wyoming, with contiguous rural areas; and it also produces and markets oil and other liquid hydrocarbons derived from its oil and gas wells.

The service area is rich in raw materials, enjoys a favorable marketing position, and has ample transportation facilities connecting it with the large population centers. The combination of these factors has encouraged expansion of established industries and has attracted many new industries to the area.

The economy of the service area is well diversified. Basic industries are agriculture and tourist trade; manufacturing, mining, milling, smelting and refining, and petroleum, supplemented by the construction, transportation, service and finance industries. Farming accounts for about 20% of total income. Manufacturing centers around metal industries and includes steel and non-ferrous metal milling and fabricating of milling and mining equipment, machinery, structural steel and railroad equipment. Natural resources include natural gas, oil, coal, salt phosphates, potash, copper, iron, lead and zinc. The chemical industry has attained increased importance.

Residential and commercial sales account for about 70% of the company's gas revenues, and industrial (mostly interruptible) for 29%; revenues from miscellaneous field sales are minor. Industrial sales are mainly to copper smelters and refiners and the Geneva steel plant of United States Steel. The residential space heating load is important.

The area served by the company enjoyed a population gain of 37% in the past decade, compared to 28% for the state of Utah and 18% for the U. S. Projections by the Stanford Research Institute for the period 1955 through 1975 indicate an increase in population of 59% for Utah, far in excess of the national increase of 34%.

The company produces nearly one-third of its gas requirements from owned reserves in the Rocky Mountain fields of Colorado, Wyoming, and Utah; it purchases 19% from other producers in these fields, and 49% from El Paso Natural Gas, on a long-term basis. It owns or controls some 1.8 trillion cubic feet of natural gas reserves, equal to about 26 years' supply, compared to about 20 years' supply for the natural gas industry. In addition, the company has oil reserves estimated at 1,502,000 barrels and natural gas liquids of 3,693,000 barrels. Net leasehold interests are 137,003 productive acres and 656,260 non-productive acres principally in Wyoming, Utah and Colorado. The pipeline network comprises 4,117 miles of gathering, transmission and distribution lines.

Mountain Fuel Supply in 1950 earned only 5.1% on net property, and in the three following years, 5.6%. The return in the next five years averaged less than 6%, but in 1959 reached 6.2%. Early in 1960 the company was granted a rate increase by the Public Service Commission of Utah allowing a 6.3% rate of return on rate base, versus the previously allowed return of 6%, in recognition of the increased cost of money to the company; it also allowed in operating expense an annual $1,520,000 allowance for exploration and development. In November 1960 the company also received a rate increase from the Wyoming Public Service Commission calculated to produce a 6.4% rate of return on the year-end rate base in that state.

The company's outlook seems favorable, since customer growth is fairly uniform in the Utah service area, and the company plans to extend service to several new communities. However, space heating saturation approximates 95% which tends to limit the growth of residential sales. Revenues and profits are, of course, affected by variations in heating degree-days; severe winter weather usually prevails in the area. To take care of growth the company is carrying on exploration and development work in Utah, Colorado and Wyoming. El Paso Natural Gas' proposed new line from Wyoming to California may open up a new market for field gas in the Rocky Mountain area, which should benefit Mountain Fuel Gas.

The company's capital structure is a conservative 50% debt and 50% common stock equity. The stock was listed on the New York Stock Exchange recently, trading commencing Jan. 9. Dividends have been paid since 1935 and in November the rate was raised to $1.40 compared with the $1.20 rate of the previous five years (in the past decade the dividend rate has increased 133%). The earnings record is shown in the table below; earnings for 1961 are expected to compare favorably with 1960 assuming at least normal weather conditions.

At the recent price of 32½ on the New York Stock Exchange the stock yields 4.3% and sells at about 17 times estimated 1960 earnings.

Several weeks ago The First Boston Corp. issued a nine-page study of Mountain Fuel Supply Co. and some of the above information has been obtained from that source.

	Revenues	Common Stock Record		
Year	(Mill.)	Earned	Div.	Pr. Rge.
1960	$32	$1.90 Est.	$1.25	30—23
1959	28	1.77	1.20	28—23
1958	26	1.57	1.20	28—22
1957	25	1.72	1.20	26—21
1956	23	1.66	1.20	28—24
1955	21	1.50	1.10	30—26
1954	18	1.42	1.00	27—21
1953	14	1.37	.90	22—19
1952	13	1.24	.80	23—19
1951	11	1.15	.70	20—16
1950	9	.99	.60	25—16

D. M. Stuart Co. Formed

WOODHAVEN, N. Y.—D. M. Stuart & Co., Inc., has been formed with offices at 83-55 Woodhaven Boulevard to engage in a securities business. Officers are Isaiah Tarshish, President; Bernard Lipschitz, Treasurer, and Harry Mirsky, Secretary.

Dickinson Branch

ATLANTIC, Iowa.—R. G. Dickinson & Co. of Des Moines, Iowa, has announced the opening of a branch office in Atlantic, Iowa, under direction of R. Dale Whiteman, Manager. The firm also has offices in Hampton, Iowa, and Iowa Falls, Iowa.

Hooker & Fay Branch

BURLINGAME, Calif.—Hooker & Fay, Inc. has opened a branch office at 1300 Howard Street, under the management of John R. Hedelund.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The effervescent Mr. Adlai Stevenson, our Ambassador to the United Nations, has already added to the nervousness of President Kennedy. The fear when he was appointed that you couldn't tell what he might say has already been given support by his statement that he guessed that Mr. Kennedy would meet Khrushchev if the latter attended the United Nations meeting. It was ill-advised and one of those typical Stevenson faux pas. The probability is that Mr. Kennedy would meet Khrushchev if he came to the United Nations but Mr. Kennedy wants to do nothing to encourage him to come.

Mr. Stevenson's statement was printed in Russia without the qualifications, just a simple statement that Mr. Kennedy would meet Khrushchev.

There is nobody that can tell Khrushchev whether he can attend the next United Nations meeting. It is for him to decide. Any head of a state member of the tribunal can attend at any time he wants to. But what Mr. Kennedy fears about Stevenson's statement is that now the Red boss will be encouraged to attend. If they meet it will only be a social meeting with no discussion about the disagreements between the two countries.

Mr. Kennedy is determined not to be drawn into another summit conference until he is ready and a lot of spadework has been done.

Although the Administration has gone out of its way to make the most of the better relationships indicated in the release of the two flyers, and Mr. Kennedy has said that it removes one of the big obstacles between the two countries, the fact remains that there are other barriers such as the intervention of Russia in Cuba, Laos and the Congo. Although it is a fact that we are propagandizing in all these countries, we are not sending any of them military aid, except Laos, and there we are only trying to stabilize the government while the Communists are actually trying to gain new territory.

Insofar as the flyers are concerned there were six men on that plane which we claim were shot down in International waters. Only two flyers have been returned, another two were killed and their bodies have been turned over to the American authorities. But two flyers remained unaccounted for. An East German paper has published a story that they are in a Russian prison. The Russians deny this and say the story was all wrong. Besides 11 flyers were shot down in Armenia, or crashed in Armenia, and have never been heard from.

So there is nothing in the return of two flyers who had been taken captive illegally in the first place to show that relations between the two countries are now restored.

President Kennedy, however, has been trying to make the most of the release of the two flyers. They were protected from newspapermen upon their return to prevent their saying anything about their treatment which might fan the flames of discord.

Khrushchev, incidentally, has toned down on his demands for an early meeting of the world leaders apparently realizing that he could not push Mr. Kennedy.

* * *

The first dissension in the Kennedy cabinet has arisen over how to handle the unemployment situation. The conservatives want the Federal Government to continue its policy of giving grants and loans to the States to handle the situation as they see best. The Liberals assert that a lot of the states are now at the end of their ropes and want the Federal Government to make overall gifts to the states. Under the present system the states collect unemployment insurance from the employers and they fix the period in which relief will be given to the unemployed. Some of them may not want to take on the burden of borrowing any money from the government to extend this period.

In his State of the Union Message Mr. Kennedy indicated that he is following the advice of the Liberals and within the next two weeks will send up a message asking for an appropriation to relieve unemployment. A budget balance for the current year is out, Mr. Kennedy made it very plain and we shall probably have heavy deficit spending in fiscal 1961-1962.

Coast Exchange Names Manning

Election of Stevens Manning, resident partner of Paine, Webber, Jackson & Curtis as Vice-Chairman of the Los Angeles Division, Management Committee Pacific Coast Stock Exchange at the organizational meeting was announced by D. R. Hopkins, Executive Vice-Chairman of the Board of Governors and Chairman of the Division Management Committee. Other Division Management officers elected were: Thomas P. Phelan, President; James L. McPhail, Vice-President and Treasurer; and John D. Guyer, Secretary.

Stevens Manning

In addition, the election of W. D. Hale of Fairman & Co., as a Director of the Los Angeles Stock Clearing Corporation was announced. Other Officers and Directors re-elected to the Stock Clearing Corporation were: Harry Z. Johnston, President; Curtis A. Thornblad, Vice-President; Brian F. Neary of Neary Purcell & Co.; Chester L. Noble of Noble Tulk & Co.; Thomas P. Phelan; and Gordon Wyatt of E. F. Hutton & Company.

Life Inv. Management

CEDAR RAPIDS, Iowa.—Life Investors Management Corp. is conducting a securities business from offices in the Merchants National Bank Building. Officers are Forrest W. Stewart, President; Jack R. Eakin, Secretary-Treasurer, and Ronald L. Jensen, Vice-President.

Selected Ins. & Fin. Equities

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif.—Selected Insurance and Financial Equities has been formed with offices at 606 Bank of America Building to engage in a securities business. Officers are Bryon F. White, President; Paul A. Peterson, Vice-President, and Charles W. Froehlich, Jr., Secretary and Treasurer. Mr. White was formerly an officer of Fleetwood Securities Corp.

Revival of Inflation Faces Britain and the Free World

By Paul Einzig

Condemning Britain for doing so, Dr. Einzig believes the January 19th relaxation of instalment financing restrictions is a surrender to the forces favoring inflation. This together with recent wage increases in shipbuilding and automobiles is held to forebode an ill future for Britain particularly because of its deteriorating balance of payments. One of the reasons causing this shift in Britain's anti-inflation stance is said to be the anticipation of new American policies favoring inflation. Even Western Germany, Dr. Einzig adds, shows indications of weakening its resistance to inflation.

LONDON, Eng.—Jan. 19, 1961 will go down, or at any rate should go down, in history as "V. I. Day"—Victory for Inflation Day. It was on that day that the British Government gave up its struggle against inflation by yielding to the growing clamor in favor of relaxing its restrictions on instalment financing. This was done against the better judgment of the Chancellor of the Exchequer and most of his advisers. It was a purely political decision, overriding economic considerations which were overwhelmingly against such a change.

The balance of payments figures for 1960 showed a considerable deterioration which continued right to the end of the year. This was due to excessive consumer demand which was running at a high level even though it varied from industry to industry. Most of the Government's critics emphasized the necessity for an increased proportion of capital expenditure, having regard to the fact that in this respect Britain was lagging behind most other industrial countries. And yet a step has just been taken aiming at a further increase of consumer demand.

Inflationists of all shades, having tasted blood, are now clamoring for a complete removal of all disinflationary restraint on the economy. Their argument is that since the credit squeeze and instalment financing restriction have failed to prevent the wages spiral from making progress, there is no point in continuing with those measures. Unfortunately, they are right in the factual part of their argument. Throughout the period of restrictions, wage inflation continued unabated. The shipbuilding industry, instead of cutting down wages by some 25% in order to regain its loss supremacy, granted a 4½% increase, which is bound to lose many more orders for British shipyards. Although there was some vague talk about wage reduction in the depressed automobile industry, actually wages have been raised. The American-controlled Vauxhall Motors, having had to dismiss a number of workers and put the rest on a very short working week, has just granted an increase in basic wage rates. This is not likely to be helpful towards recovering its lost markets at home or abroad.

The Government is to blame for its failure to pursue a course which would eventually make trade unions in general, and both sides of the automobile industry in particular, to face realities. By relaxing restrictions on instalment financing it has greatly encouraged the practice of "hoarding" redundant labor instead of releasing it and placing it at the disposal of other industries which are less highly paid but nonetheless essential for the welfare of the community.

During the last month or two it has become necessary for householders to fetch their own coal in their automobiles because there is not enough labor available for delivering it. The unskilled labor that is necessary for that purpose, and for thousands of other purposes, would be easily obtainable if only the automobile industry dismissed its redundant workers instead of putting them on short time. Alternatively, coal merchants could attract adequate labor by doubling the wages they pay and increasing the retail price of coal to a corresponding extent. If all industries which are short-handed competed for labor by such means we would soon witness the doubling and trebling of the cost of living. Had the Government held out with the restrictions on instalment financing, the automobile industry might have been starved into surrendering its surplus labor and into reducing wages to a more realistic level. As it is, labor scarcity will continue, wages in the automobile industry will rise further, and we are fated to witness a resumption of the wage-cost-price spiral.

One of the reasons why the British Government decided to abandon a policy which maintained the stability of the cost of living for over two years is the anticipation of a change of American economic policies in favor of inflation. It is now taken for granted in London that the new Administration in Washington will in due course embark on a series of measures to relieve unemployment at the cost of tolerating inflation. If that should happen, then the British authorities would feel they could afford to inflate with comparative impunity. The penalty would, of course, be paid in the form of rising cost of living, but inflation in the United States would at any rate prevent or mitigate a further deterioration of the British balance of payments.

There is, of course, still Western Germany to reckon with. Unless the Federal Government of Bonn relaxes its resistance to inflation to a sufficient extent, the D.mark could make both sterling and the dollar look silly. But there are indications that in Western Germany, too, resistance to inflation is slackening. It seems probable that we shall witness a revival of international inflation throughout the free world.

[*Ed. Note: The headline in Dr. Einzig's interesting column of last week, Jan. 26, inadvertently used the word "Mining" instead of "Holding." The headline should have read: "Will Exchange Restraints Follow Gold Holding Ban?"*]

Form New Inv. Counsel Firm

BOSTON, Mass. — Formation of the new investment counsel firm of Thorndike, Doran, Paine & Lewis, Inc. is announced with offices at One State St.

The counseling firm obtains certain investment advice and services from IVEST, Inc., an affiliated company. Although, Thorndike, Doran, Paine & Lewis is currently specializing in the field of common stocks, and fixed income securities, plans are underway to offer one of the most complete counseling services available.

W. Nicholas Thorndike is President of the Boston firm. Mr. Thorndike worked in the Trust Department of the Seattle Trust and Savings Bank in Seattle, Washington, before joining the research department of Fidelity Management & Research Co.

Robert W. Doran, Steven D. Paine and George Lewis are Vice-Presidents. Mr. Doran and Mr. Paine were formerly security analysts with John P. Chase, Inc. Mr. Lewis was previously with Tucker, Anthony and R. L. Day.

Members of the board not representing management are Guido R. Perera, partner in the law firm of Hemenway & Barnes, Richard A. Eisner, of Eisner and Lubin of New York City and Francis H. Burr, a partner of the Boston law firm of Ropes & Gray.

R. B. Dimond Opens

R. B. Dimond is conducting a securities business from offices at 21 West Street, New York City, under the firm name of R. B. Dimond Company.

Cutler Godfrey Co. Opens

WESTHAMPTON BEACH, N. Y. —Cutler Godfrey & Co. has been formed with offices on Sunset Avenue to engage in a securities business. Partners are Cutler N. Godfrey, Doris S. Godfrey and Peter S. Godfrey.

The firm maintains a branch office at 49 Park Avenue, New York City.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The action of the money and capital markets is still on the constructive side because the policy of ease is likely to continue for the foreseeable future. In addition, within this framework there might be developments that could have influences on the yields of short-term and long-term Government issues, since it appears as though the "bills only" policy with its lack of flexibility may not be returned to immediately. It seems as though some money market specialists are of the opinion that the current type of open market operations will be expanded before too much time has elapsed.

The financing of the new money requirements of the Treasury through the sale of near-term obligations and the refunding of maturities as they come due with issues that are not in the long-term areas, has brought selected investors into the Government bond market. According to reports, some of these purchases have been fairly sizable ones.

New Administration's Policies

The new Administration in Washington will be putting forward more of the policies which they expect to follow with the passage of time. Among these will be the ways in which the dollar will be protected and bolstered in the international money markets. This is one of the most important operations that will have to be undertaken because the future course of the American monetary unit will determine whether or not the gold problem will be solved. And along with this will go the future trend of the money and capital markets at home.

The information which has been made available so far through the reports of the "Task Forces," and the testimony of those who will handle the important money matters of the new government, does not seem to indicate any departure from what has always been considered sound monetary procedure. To be sure, there are limits beyond which they cannot go at this time because of the loss of gold and the pressure on the dollar. Nonetheless, it would appear from what has been written and said so far that the new Administration is going to do everything possible to meet the extenuating circumstances it will encounter in very much of an orthodox manner.

Among the issues which might become more prominent with the passage of time are those concerning the level of long and short-term interest rates and the ceiling on long-term Government bonds. It is evident that what is needed in monetary policy is flexibility and it seems as though the kind of open market operation which would embody the use of all types of Government securities would be more effective than the "bills only" program which had been in use for quite a period of time, until recently.

Rise in Short-Term Rates Indicated

Even though the demand for Government securities is still very heavy in the short-term sector, the use by the Treasury of near-term liquid obligations to finance new money requirements will help to supply some of this demand. At the same time this will prevent the return on these obligations from going down to levels that will make the purchase of these securities unattractive to those who are able to shift funds from one money center to another. The lack of attraction in short-term liquid Government issues is believed to be one of the main reasons for the fast flow of dollars and eventually gold last year from this country to other areas in the free world.

The "bills only" policy is one of the reasons given by not a few money market experts as being responsible in some measure at least for this flow of the so-called "hot money" from here to other higher yielding money centers. Therefore, it would appear as though higher short-term rates in an easy money market should not be an unexpected development.

Help for Long Bonds

Intermediate and long-term Government obligations are still finding their way into the portfolios of certain investors, with the World War II 2½s and those issues selling at sharp discounts again assuming a leading role, according to advices. In addition, there is a fairly good interest in the most distant Governments although there are no signs yet that there is any real shortage of these bonds. The fact that these obligations are still not competitive with corporates or tax-exempt issues has not been too hard on the Treasury bonds, however, since there is not one of these securities that is now yielding as high as 4%. The use of short-term obligations to finance the new money needs of the Treasury should not be unfavorable to long-term governments.

Note: The Treasury will announce today (Feb. 2) terms for refunding the 4⅜% Certificates maturing Feb. 15, 1961. The first financing of the new Administration will be on a cash basis, no rights being enjoyed by holders of the maturing issue.

Dean Witter Co. Admits Partners


G. Leslie Fabian


Martin Le Boutillier


Kenneth E. Meyer


Robert W. Swinarton

Six members of Dean Witter & Co. have been admitted as general partners effective Feb. 1, the firm has announced.

The new partners are G. Leslie Fabian, Martin LeBoutillier, Kenneth E. Meyer and Robert W. Swinarton, New York; Gustav Knecht, Jr. and Edward A. Pence, San Francisco.

Mr. Fabian, a senior investment analyst with the New York office, 14 Wall Street, was a member of Laurence M. Marks & Co. when that firm merged with Witter in 1959. Before joining Marks he was a member of the investment department of New York Life Insurance Co. A member of the New York Bar and the American Bar Association, he is a specialist on public utility securities.

Mr. LeBoutillier has been with Dean Witter since 1955, after serving as a partner of Delafield & Delafield and earlier business experience with Fred Eldean & Co. and Firestone Tire & Rubber Co. He is a former governor of the American Stock Exchange.

Mr. Meyer was a member of Laurence Marks when that firm merged with Witter in 1959. He joined Marks in 1956 as a petroleum analyst following two years in the same capacity with Lehman Corp. Before joining Lehman he was a petroleum engineer with Cities Service Company.

Mr. Swinarton joined Dean Witter in 1950.

Mr. Knecht joined Dean Witter in 1954, following prior business experience as Vice-President and director of Braun-Knecht-Herman Co. He currently is a director of Kimball Manufacturing Co., San Rafael, Sierra Capital Co., San Francisco and M. D. Burns & Co., San Francisco. He is governor of the Security Analysts of San Francisco.

Mr. Pence has been in the securities business since 1927, and was a member of William Cavalier & Co. when that firm merged with Witter in 1940.

Dean Witter & Co. is one of the largest investment banking and brokerage firms with headquarters outside of New York City, its home office located at 45 Montgomery Street, San Francisco. The firm now has more than 1500 employees with 45 offices from coast to coast. It is a member of the New York, American and Pacific Coast Stock Exchanges, and Chicago Board of Trades, and other leading securities and commodities exchanges.

Life Insurance Stocks For the Smaller Investor

By Roger W. Babson

Well known investment adviser for many years recommends small investors seriously consider good life insurance stocks now, and despite the fact that others may claim such stocks are too high. A boost for life insurance stocks, Mr. Babson avers, is the medical program for the aged which both parties are for (they disagree on the means but not the end) and which is expected to be enacted during the current session of Congress.

First a word regarding the purchase of life insurance. This should be a MUST for every young person. It should be **first** in one's financial program before thinking of real estate, stocks, or bonds.

Different Kinds of Life Insurance

Personally, I prefer the simple "20-payment life" without any endowment or other fringes. Get this first. After you are married you can get life insurance to pay the mortgage on your house, or to put your children through college, or to travel in the U. S. or abroad. An endowment policy may be a good way to save money for one who has no patience or self-control, but I would rather invest some other way.

I also believe in business insurance and "estate planning." This is a newer form which applies chiefly to those in active business whose estates would be severely taxed at time of death. It also shows how by use of trusts, gifts to members of one's family and to charities, such taxes can be greatly reduced.

Buying Life Insurance Stocks

But this week I want to write about **buying the stocks** of life insurance companies. These usually do not yield much income. Their cash dividends are very small and they sell at high prices. The reason is that a growing life insurance company must continually "plow back" more money for the required legal reserve. Life insurance companies are carefully audited by the government, which is another reason for buying them.

To offset the small cash dividends, the companies pay generous stock dividends. Some pay such stock dividends every year while other companies give a large 50% or more dividend every five years. These stock dividends are nontaxable until you sell the stock received therefrom. As a rule, life insurance stocks are bought only by rich people; but in many cases this is one reason these people are rich! My appeal this week is that small investors buy good life insurance stocks now, although most bankers and brokers will always claim that such stocks are "too high"!

President Kennedy Helping Life Insurance Stocks

One of the planks in President Kennedy's platform was to help the aged by free medical care and in other ways. The American Medical Association and the American Dental Association, composed of some 275,000 doctors and dentists, are fighting this program.

Heretofore, most of the life companies have refused to insure people over 65 years of age; but if the Kennedy legislation passes, they may insure persons 75 years of age or perhaps older. Not only do the "oldsters" favor this legislation, but also the children of the aged who are thus relieved of providing proper medical and dental care for their parents. Hence, I forecast that President Kennedy will succeed in getting this legislation passed.

Eisenhower and Kennedy Medical Plans Compared

The Eisenhower Plan was to provide Federal funds to match State funds for medical aid. The AMA and ADA were willing to approve this, apparently on the assumption that most states would be niggardly in their appropriations. The Kennedy Plan is to have the movement purely a Federal affair, tying it to the Social Security program. It would probably mean a one-quarter of one percent boost in the Social Security Tax, to be paid as now—jointly by employer and employee.

Either of these two plans should be most beneficial to the life insurance companies, which are interested in one thing, namely in increasing the health and length of life of the American people. Wherever the money may come from, every doctor and dentist, every drug manufacturer and druggist — and all devoted children — are interested in helping older people and their friends. In fact, there is no group of companies except the life insurance companies which have so many people working for them!

Elliott Admitted To J. Barth Co.

William H. Elliott has been admitted to general partnership in J. Barth & Co., 3323 Wilshire Boulevard, members of the New York and Pacific Coast Stock Exchanges, it was announced by Walter E. Lawrence, managing partner of the national investment firm's Southern California offices.


William H. Elliott

Mr. Elliott, a native of Los Angeles, has been associated with J. Barth & Co. for over ten years, the past five years as manager of the Trading Department. Mr. Elliott also serves as Vice-President of the Security Traders Association of Los Angeles.

McClane & Co. Inc. Offers Dial-A-Disk

Pursuant to a Jan. 30 offering circular, McClane & Co. Inc., 26 Broadway, New York City, publicly offered 150,000 shares of the 5c par common stock of Dial-A-Disk, Inc. at $2 per share.

Dial-A-Disk was organized in Miami Beach, Fla., last April, and this is the corporation's first public financing.

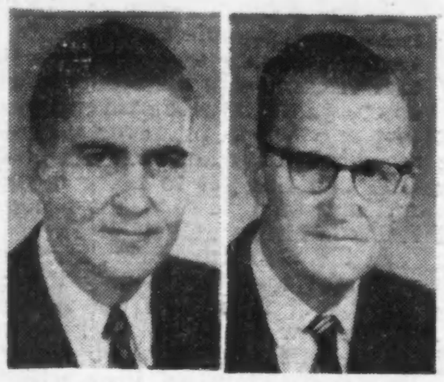
The firm sells phonograph records by playing them over a prospective customer's telephone so that they may be heard prior to the purchase. The sound is amplified in the customer's home by a special device to which Dial-A-Disk retains title.

M. S. Thomas With Lehman Brothers

Michael S. Thomas, formerly director of research of R. W. Pressprich & Co., has joined the Investment Advisory Department of Lehman Brothers, 1 William St., New York City, members of the New York Stock Exchange.

Howard, Weil Admits Partners

NEW ORLEANS, La. — Howard, Weil, Labouisse, Friedrichs and Company, 211 Carondelet Street, members of the New York Stock



Robert P. Howard Joseph P. Minetree

Exchange, have announced the admission of Robert P. Howard and Joseph P. Minetree as general partners of the firm.

Robert P. Howard has been associated with Howard, Weil, Labouisse, Friedrichs and Company since 1953 as manager of the Trading Department.

Joseph P. Minetree has been associated for the past 15 years with Steiner, Rouse & Co. in New Orleans as manager of the Investment Department. He began his career in Wall Street with Dillon, Read & Co., Inc. in 1926 and later became associated with Merrill Lynch, Pierce, Fenner & Smith, Inc. in their New York office.

It was noted that the firm was beginning its 16th year of operation. Alvin H. Howard, John P. Labouisse and G. Shelby Friedrichs organized the firm on Feb. 1, 1946. Since that time seven new partners have been admitted to the firm. They are: Paul T. Westervelt, Walter H. Weil, Jr., F. Hunter Collins, Jr., Thomas C. Holmes, Jr., Forrest M. Collins, Robert P. Howard and Joseph P. Minetree. They now employ over 70 people and have 11 branch offices in Louisiana, Mississippi and Arkansas.

Van Horne Inv. Formed in Omaha

OMAHA, Neb. — Van Horne Investments Inc. has been formed with offices at 203 Farm Credit Building to engage in a securities business. Principals are Edwin N. Van Horne and John E. Van Horne. Both were formerly officers of J. Cliff Rahel & Co.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

BANK HOLDING COMPANY EXPANSION IN NEW YORK STATE

Investor attention is being directed toward two pending bank holding company proposals, the formation of *Morgan New York State Corporation* and *New York Holding Corporation*. Speculations continue on possible additional affiliation announcements by New York bank managements. While the holding company route may be considered less satisfactory to the proponents of branch banking for strengthening a banking system, formations of holding companies can be considered a more practical method to accelerate the ultimate transition to branch banking. The branch banking form of operation and expansion generally is conceded to best serve the banking needs of the people in the most profitable way and thus in time will gain near universal acceptance throughout the nation, but political power exerted by unit bank managements in many states is limiting a smooth evolution for branch banking.

Probably the main advantage of the holding company is the ability to operate interstate, regional offices. For bank investors, opportunity already exists in such stocks as Firstamerica Corp. (11 states); Financial General Corp. (9 states, including New York); Northwest Bancorporation (7 states); First Bank Stock Corporation (5 states) and First Security Corporation (3 states).

Holding companies now hold over one-half of the total commercial bank deposits in Minnesota, Montana, Nevada and Utah, and over 20% of deposits in Arizona, Georgia, Idaho, Massachusetts, North Dakota, Oregon, South Dakota, and Wisconsin. If developments announced reach fruition, New York State will join those states where over 20% of deposits are represented by bank holding companies. Also the lead already held by New York State in having the most holding company banking offices will advance sharply. The nine holding companies presently operating in New York have over 200 banking offices. Marine Midland Corporation's group serves 102 communities through control of 11 banks operating 178 offices.

MAJOR HOLDING COMPANY BANKS

BANK AND HOLDING COMPANY	*Total Deposits	Rank in State
Arizona—		
First National Bank of Arizona, Phoenix; Firstamerica Corp.	$352.1	2nd
California—		
California Bank, Los Angeles; Firstamerica Corp.	1,217.8	5th
First Western B. & T. Co., San Francisco; Firstamerica Corp.	1,073.6	6th
Florida—		
Atlantic National Bank, Jacksonville; Atlantic Trust Co.	209.1	2nd
Georgia—		
Citizens & Southern Natl. Bank; Citizens & Southern Hldg. Co.	504.2	1st
Trust Company of Georgia; Trust Co. of Georgia Association	219.4	3rd
Idaho—		
First Security Bank of Idaho, Boise; First Security Corp.	199.7	2nd
Massachusetts—		
National Shawmut Bank, Boston; Shawmut Association	452.2	2nd
Minnesota—		
Northwestern National Bank, Minneapolis; Northwest Bancorp.	504.3	1st
First National Bank, Minneapolis; First Bank Stock Corp.	450.2	2nd
First National Bank, St. Paul; First Bank Stock Corp.	349.2	3rd
Nevada—		
First National Bank of Nevada, Reno; Firstamerica Corp.	278.1	1st
New York—		
Morgan Guaranty Tr. Co., N.Y.C.; Morgan N. Y. State Corp.†	3,646.0	4th
Bankers Trust Company, N.Y.C.; New York Holding Corp.†	3,032.2	6th
Marine Trust Co. of W. N. Y., Buffalo; Marine Midland Corp.	719.0	10th
Marine Midland Trust Co., N.Y.C.; Marine Midland Corp.	678.2	11th
County Trust Co., White Plains; New York Holding Corp.†	481.9	14th
Mfrs. & Traders Tr. Co., Buffalo; Morgan N. Y. State Corp.†	451.6	15th
Lincoln Roch. Trust Co., Rochester; Morgan N. Y. State Corp.†	377.2	17th
Natl. Com'l B. & T. Co., Albany; Morgan N. Y. State Corp.†	313.6	18th
Genesee Valley Union Trust, Rochester; Marine Midland Corp.	216.8	20th
Ohio—		
Ohio National Bank, Columbus; BancOhio Corp.	420.3	5th
Oregon—		
First National Bank, Portland; Firstamerica Corp.	880.3	1st
Texas—		
Fort Worth National Bank, Fort Worth; Fort Worth Natl. Bk.	303.6	7th
Utah—		
First Security Bank of Utah, Ogden; First Security Corp.	304.5	1st
Walker Bank & Trust Co., Salt Lake City; Firstamerica Corp.	206.6	2nd
Washington—		
National Bank of Commerce, Seattle; Marine Bancorp.	538.6	2nd
Wisconsin—		
First Wisc. Natl. Bk., Milwaukee; First Wisc. Bankshares Corp.	731.5	1st

*In millions of dollars, Dec. 31, 1960. †Proposed holding company subject to approval.

Marine Midland Corp., the only state-wide holding company, is exceeded in size by only one other bank holding company—Firstamerica, which has banks in several western states. Marine Midland presently is consummating several smaller mergers. During 1960, Windsor National Bank was merged with Marine Midland Trust Co. of Southern New York (Elmira) and Auburn Trust Company was merged with Marine Midland Trust Co. of Central New York (Syracuse). The Marine Midland system's total deposits exceed $2.3 billion.

Plans to form holding companies follow the passage of the New York Omnibus banking law in 1960. Several months ago, a firstholding company was proposed to affiliate New York City's Bankers Trust Company and County Trust Company of White Plains, New York; the name New York Holding Corporation recently was adopted. Even more dramatic was last week's announcement of a state-wide holding company proposal affiliating Morgan Guaranty Trust Co. with six major upstate banks under the name of Morgan New York State Corporation.

Should both holding companies be approved in 1961 by regulatory authorities, bank stock investment possibilities in New York banks will be reduced to 20 commercial banks where a size limit of at least $200 million in deposits is desired. Outside of New York City, the State Bank of Albany, Franklin National Bank, and National Bank of Westchester, White Plains, remain unaffiliated. New York City bank stocks will be reduced to 8, assuming completion of the Manufacturers Trust-Hanover Bank merger. Holding companies will increase their number of New York banks with deposits exceeding $200 million to 9.

Morgan New York State Corporation

The following seven banks approved a proposal last week for the organization of a holding company: Morgan Guaranty Trust Company of New York, Manufacturers and Traders Trust Company (Buffalo), Lincoln Rochester Trust Company (Rochester), The National Commercial Bank and Trust Company of Albany, First Trust & Deposit Company (Syracuse), The Oneida National Bank and Trust Company of Central New York (Utica), and First-City National Bank of Binghamton, N. Y.

As of Dec. 31, 1960 the seven banks in the group reported aggregate capital funds of over $680 million, total resources of over $6 billion, and total deposits of over $5 billion. Capital of the holding company will be 35 million authorized shares of $10 per share par value. It is expected that approximately 24,150,000 shares will be initially issued in exchange for the shares of the seven banks. It is expected that each bank in the group will retain its present name. The group will have an extremely strong capital position, providing the base for further deposit growth. All six upstate banks in the proposed group with their 144 banking offices are presently engaged in the "retail" banking business as well as in serving business and commercial customers. Morgan Guaranty, with nine offices, operates as a leading "wholesale" bank. The banks not included in the table presented, First Trust & Deposit Co., the Oneida National Bank & Trust Co., and First-City National Bank, had year-end deposits of $182.7 million, $111.8 million, and $86.4 million respectively.

Detailed plans to provide for the holding company's acquisition of the stock of the seven banks are in the process of development. It appears likely that other New York banks may take further steps for expanding their services whether through the holding company method, through mergers, or through establishing more branch offices. In order to maintain and increase competitive positions on a national basis, several large banks already have announced expansion steps, including such mergers now awaiting approval as Manufacturers Trust-Hanover Bank, Continental Illinois-City National B & T (Chicago), Philadelphia National Bank-Girard Trust Corn Exchanges, and State Street Trust-Rockland Atlas National Bank (Boston).

Stinson Joins Thayer, Baker

PHILADELPHIA, Pa. — John R. Hudson, President, Thayer, Baker & Co., Inc., Philadelphia National Bank Building, members of the Philadelphia - Baltimore Stock Exchange, has announced that William A. Stinson has become associated with the firm. Mr. Stinson has been elected to the Board of Directors and designated Senior Vice - President of the corporation.

He has been long associated with the Philadelphia financial community and was most recently associated with Lehman Brothers, New York City.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Advertising That Products the Right Inquiries

The main problem that must be solved in developing qualified prospects for the investment business is to find the people who are interested in investing in securities. Only a small percentage of our adult population are initiated and qualified prospects for the security salesman. I am not referring to those who are now being contacted by mutual fund salesmen. Many of these people are first-time investors in any other type of investment rather than savings accounts and life insurance. The mutual fund people are doing a great service to the public in connection with the educational and trail-blazing efforts they are carrying forward.

But the security salesman cannot spend all of his time and energy in this educational work and make it pay. The commissions on regular Stock Exchange orders are often too small to compensate for the long process of customer development that often only leads to very meager income. A few small accounts are ordinarily opened as a matter of course by most aggressive salesmen, but the bread and butter in this business still lies with the customer who knows something about securities, buys them without taking too much of a salesman's time, and has some knowledge of investment and speculative procedures.

Advertising Should Seek Out Investors

Outside of institutional and good-will advertising, newspaper ads should reach a segment of the investing public who have the means and the understanding to buy securities. To create such ads is not a task for amateurs. Many ads that offer specific securities, or special reports and reviews, only produce the type of leads that represent in the part curiosity seekers, students, other salesmen's inquiries, and but a paltry few good prospects for the sales force to follow.

The following ad appeared recently in a metropolitan city newspaper. There may be those who would criticize the use of this type of advertising on the grounds that it appears to violate the usual procedures in offering new issues. However, the ad only **offers a prospectus** to possible investors. It does not offer the security, although it certainly minces no words in implying that an offering is soon to come, that the firm that wrote the ad will supply prospectuses, and that they will not be reluctant to have some (implied) indications(or orders) in the stock.

The timing of this ad, which is placed before a new issue is released, is excellent. It is used only when a national underwriting of a well known and popular security is antitcipated, and when the issue in question is very popular in the community where the firm that has used this type of ad very effectively in the past is located.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration becomes effective.

X Y Z COMPANY
236,000 SHARES
OF COMMON STOCK

A prospectus will be made available to you on request.

This advertisement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

(Name of Investment Dealer)
Address

Name of Dealer
Address

Please send me without obligation prospectus on X Y Z Broadcasting Co.

Name ____________________

Address __________ *Phone*______

This type of advertising is wide open for any security dealer that wishes to use it. Personal solicitation is the usual procedure when indications are obtained prior to a public offering. Those dealers who wish to avail themselves of the opportunity offered when a popular underwriting comes along certainly are going to provide their sales force with some interesting leads when they receive inquiries to an advertisement such as this.

* * *

As a personal comment, for many years we have witnessed the hypocrisy of what the S. E. C. terms the present solicitation of orders for new issues as nothing more than what is termed an INDICATION. The furore over so-called "jumping the gun" on the offering of attractive "new issues," the hodge-podge that is called regulation today, in my book is a complete fiasco and a farce. What we have now is nothing more than what was always the method of distribution of new issues. Only the terms have changed. Under the rules any dealer who uses a public announcement prior to the issue date such as the foregoing offering of a prospectus (NOT THE SECURITY) is within his legal rights, I believe. Ads like this have appeared several times during the past few years. I understand they produced leads by the bucketful which (in my book) is the purpose of advertising. After all, I see no reason why anyone and everyone can't do it—if they want to do so.

N. Y. Security Dealers Elect Officers

Samuel Weinberg, of S. Weinberg, Grossman & Co., Inc., has been elected President of the New York Security Dealers Association, the Association has announced. Elbridge H. Smith, of Stryker &

Samuel Weinberg

Elbridge H. Smith

Herbert Singer

George A. Searight

Robert N. Kullman

Brown, and Herbert Singer, of Singer, Bean & Mackie, Inc., were elected Vice-Presidents of the Association; George A. Searight, of Searight, Ahalt & O'Connor, Inc., was elected Treasurer, and Robert N. Kullman, of John J. O'Kane, Jr. & Co., was elected Secretary.

The Board of Governors of the Association elected at the annual meeting will consist of:

Philip L. Carret, Chace, Whiteside & Winslow, Inc.; Frank Dunne, Dunne & Co.; Maurice Hart, New York Hanseatic Corp.; Herbert D. Knox, H. D. Knox & Co., Inc.; Robert N. Kullman, John J. O'Kane, Jr. & Co.; David Morris, David Morris & Co.; George A. Searight, Searight, Ahalt & O'Connor, Inc.; Herbert Singer, Singer, Bean & Mackie, Inc.; Elbridge H. Smith, Stryker & Brown; Eugene G. Statter, Mabon & Co.; Oliver J. Troster, Troster, Singer & Co., and Samuel Weinberg, S. Weinberg, Grossman & Co., Inc.

The nominating committee for 1961 is as follows: E. Paul Emert, W. L. Canady & Co., Inc.; Lester Frenkel, Gersten & Frenkel; Horace I. Poole, Eisele & King, Libaire, Stout & Co., and Norris Rosenbaum, Englander & Co., Inc.

C. C. Colt Director Of Dominick Fund

C. C. Colt, a Vice-President of Electric Bond and Share Company, has been elected a director of The Dominick Fund, Inc. according to an announcement made by A. Varick Stout, President. Mr. Colt, has direct responsibility for Electric Bond & Share's marketable securities portfolio.

The Dominick Fund, with assets in excess of $40 million, is a closed-end investment company managed by Dominick & Dominick. Its shares are listed on the New York Stock Exchange.

THE MARKET . . . AND YOU

BY WALLACE STREETE

The stock market rally ran into resistance again this week but not before the industrial average had worked up to 650 which is only five points under the recovery high of mid-June, 1960.

Any new strength to carry it above that level, according to the technicians, will leave a clear path for a subsequent assault on the all-time peak of 685 recorded early in January of 1960.

Emerging Caution

While progress was coming harder, the general list has not yet shown any disposition to give up much ground so that there has been nothing worthy of being called a full-fledged correction so far in the advance.

That was making the serious students of the market cautious since in January alone more than 32 points had been added by the industrial average. And precipitous advances call for sharp corrections.

Then, too, February has a dour reputation among the stock market followers. When income tax time fell on March 15, the flabby markets of February were attributed to investors raising money to cover their tax needs. Since it has been pushed back to April 15, the record is not clear. In 1959 the market fared well in February and last year industrials were able to make a good showing although rails were laggard, so the score was no better than mixed.

The more amazing aspect of the market's strength was the ability to ignore such as the widely divergent views over when the business upturn will set in and the rather bleak view of the economy expressed by the President in his message to Congress. The only market effect of his contention that business will get worse before it gets better, and that action is urgent to help turn it around, was to divert some of the buying to the defense issues where stepped-up expenditures are to be the rule.

The high pace of market activity was record-breaking, mostly in the breadth of the market, since for the first time in history more than 1,300 issues dotted the tape on a single trading session. Strength was selective for the most part, which in turn left some well-known names among the languid stocks.

An Attractive Rail

Illinois Central, which has worked comfortably over its 1960-1961 low, was still available at around half of the high of 1956. As with other carriers, the earnings record of Illinois Central is not such as to inspire any testing of historic highs, but it is a quality line and offers a return of more than $5\frac{1}{2}$%. This is even better than the average yield on preferred stocks, currently running around $4\frac{3}{4}$%.

The problems of constantly higher costs, passenger losses and the general slowdown in the economy that are common to all railroads have affected Illinois Central in full measure. But it has been active in meeting the challenges by trimming its work force a third, participating fully in the piggyback type of transportation which has been a marked help to general business, and in enticing new industries to its service area. With any improvement in business generally added to the internal efforts, the road could make a far better profit showing in the future. And the line also has some new economies to be made in the future, including the important one of automated traffic control.

Switching in Defense

In the defense sector, the business that has made the big difference in profits and prospects is their missile and electronic work as companies like Martin dropped airplane work in favor of the "science" portion of their business. One that has yet to make a significant turn toward these new fields is McDonnell Aircraft.

In the 1960 fiscal year, McDonnell still toted up nearly three-fourths of its sales from fighter aircraft, while it is working to increase its missile-electronic participation. Only an insignificant part of its work is for non-government customers, and with stepped-up defense expenditures the prospects for McDonnell, as with other plane companies, are brighter than they have been for a long time. McDonnell has been spared the violent ups and downs in profits that have been reported by aircraft companies that do a large business in civilian aircraft. It is charged with designing the space capsule to carry a man into outer space and success with this project would step up its participation in the space age significantly.

Oils a Bright Spot

Oil company reports, against the welter of distressing ones in other lines, have been the bright spot in the earnings statements. In this field Standard Oil of Indiana is a rather unique company in that it holds rigidly to a policy of paying out half of its earnings, mostly in cash plus shares of stock of Standard Oil (New Jersey) and, obviously, with earnings improvement comes a better dividend payout.

In addition to profiting by the firm prices and high consumption of petroleum products during the final months of 1960, Indiana Standard has also drastically realigned its corporate structure to turn the parent company into a holding company and assigning marketing and refining to subsidiaries which promises to cut duplications, trim operating expenses and add that much more to the profit potential.

The bitter winter was a definite factor in helping lift oil stocks as a group, some of which have been able to forge to all-time highs, which manifest a new investor regard for a group laggard so long. The price discounts from 1959 peaks run from half a dozen points, as in Ohio Oil, to more than a dozen points in Standard Oil of Jersey and Pure Oil.

A Diversifying Food Company

The foodshares that had their buoyant moments last year have pretty much quieted down lately. One that wasn't in the limelight much during the play is Hunt Foods, which is a company still busy absorbing its last year's merger of Wesson Oil. The profit enhancement from combining the two companies is still to materialize in full.

The Hunt Foods organization as it now exists is one of the major factors in the food field, and has other interests such as can, glass jar production, match production, and is represented in the magazine field through its stock holding in McCall Corp. It also has important stock interests in Harbor Plywood and California Packing. The earnings picture was complicated a bit when it cut its fiscal "year" to a seven-month one coincident with merging with Wesson. That compressed its write-offs into the abbreviated

period so a sharp rebound is assured from the artificial 70-cent profit reported for fiscal 1960.

A Chemical Ready for Rebound

The chemical company widely regarded as having prospects for a good rebound when business in general picks up is Monsanto which had to contend with price-cutting in some of its lines last year and also with diluting its shares by paying more than 3½ million of them for the half interest American Viscose formerly held in Chemstrand. With this now a wholly-owned operation, and its own earnings on an uptrend, plus new products on which the sales potential is still vague, the division is in position to contribute importantly to the results of the parent company. Like other chemical companies, Monsanto was able to show increased sales while profits lagged, a pattern that a business upturn could easily end.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Auchincloss, Parker Admits 2

Auchincloss, Parker & Redpath, investment banking firm and members of the New York Stock Exchange, announced that A. Peter Knoop and Henley C. Hoge, III have been admitted as general partners.

A. Peter Knoop

Mr. Knoop, with the firm's New York office, 2 Broadway, for 25 years, has specialized in institutional sales and syndicate operations for 20 years. As a partner he will continue these functions and in addition supervise branch office operations.

Mr. Hoge has been associated with the Washington, D. C. office, 1705 H Street, N. W. for nine years where he has been active in the development of Seminars for investors.

Abraham & Co. Will Admit Weil

On Feb. 9, Wallace P. Weil will acquire a membership in the New York Stock Exchange, and will be admitted to partnership in Abraham & Co., 120 Broadway, New York City, members of the New York Stock Exchange. Mr. Weil will retire from partnership in Gruss & Company.

Schweickart & Co. To Admit Partner

Schweickart & Co., 29 Broadway, New York City, members of the New York Stock Exchange, on Feb. 9 will admit Stanley A. Nabi to partnership.

Exch. Firms Govs. Holds Meetings

The Board of Governors of the Association of Stock Exchange firms will hold their winter meeting Feb. 27 and 28 at the Hilton Hotel in Pittsburgh.

The Spring meeting will be held in St. Louis, May 8 and 9, and the Fall meeting Oct. 9 and 10 at the Brown Palace Hotel in Denver.

N. Y. Fin. Adv. Ass'n Elects

The New York Financial Advertisers Association has elected George W. Heyne as President for 1961. Mr. Heyne, Vice-President of the South Brooklyn Savings Bank, succeeds Robertson Page, assistant manager of the public relations department of the First National City Bank of New York.

Charles O. Graf, New York Daily News, was named first Vice-President and Frank W. Hall, Albert Frank - Guenther Law, second Vice-President. Robert J. Stiehl, American Bankers Association will continue as Treasurer. Paula De Menna, Brown & Bigelow, was named Secretary.

Newly - elected directors are: Mr. Page; Thomas Blake, Jr., Dime Savings Bank of Brooklyn; Joseph J. Devine, Bankers Trust Company; Andrew J. McDermott, Jr., First Boston Corporation.

The New York Financial Advertisers' membership is comprised of advertising and public relations representatives of the major financial institutions in the metropolitan area.

Stone & Webster Names Officers

Stone & Webster Securities Corporation, 90 Broad Street, New York City, has elected Edward W. Holland, Charles F. Bookwalter and Stuart MacR. Wyeth Vice-Presidents.

Niebling Joins Lee Higginson

Robert E. Niebling has joined Lee Higginson Corp., 20 Broad Street, New York City, members of the New York Stock Exchange, as the firm's Director of Research.

Mr. Niebling's experience includes that of head of research at Model, Roland & Stone; general investment manager of The Prudential Insurance Company of America; assistant Vice-President of Mellon National Bank, in charge of the Investment Research Division of the Trust Department; as well as earlier investment background with Lionel D. Edie & Co., and Wood, Struthers & Co.

L. K. Simon Forms In Syracuse

SYRACUSE, N. Y.—L. K. Simon & Co., Inc., members of the New York Stock Exchange, will be formed as of Feb. 9, with offices in the Seitz Building. Officers will be Lee K. Simon, who will acquire a membership in the Exchange, President and Treasurer; Leonard W. Cahoon, Vice-President. Mr. Simon is a partner in Leavitt and Co. from which he will retire February 8.

Remco Syndications Form'd

Remco Syndications, Inc. is engaging in a securities business from offices at 55 Liberty Street, New York City.

Text of the President's State of the Union Message

President Kennedy's first report to Congress displays marked anxiety about the state of our domestic and, particularly, foreign affairs. Disagreeing with the Sproul task force diagnosis that we are in a relatively mild recession, and more so with former President Eisenhower's recent optimistic prediction of a substantial turn-about in 1961, Mr. Kennedy bluntly declares the American economy is in trouble. He outlines a resuscitative program, which he will detail to Congress within the next 14 days, encompassing not only our economy but also our balance of payments position and our social-welfare needs. Defense, foreign aid and diplomatic steps to cope with "the harsh enormities of the trials" facing us complete the President's survey of what lies ahead, of what should be done, and of the need for "complete dedication by us all to the national interest" to solve our "critical" problems.

In submitting his first State of the Union Message to Congress on Jan. 30, President John F. Kennedy painted a doleful picture of the nation's economic status and its position vis-a-vis world Communism.

The message in full text follows:

I cannot fully express my feelings in addressing this joint session of the Congress. You are my oldest friends in Washington—and this house is my oldest home. It was here, more than 14 years ago, that I first took the oath of Federal office. It was here, for 14 years, that I gained knowledge and inspiration from members of both parties in both houses—from your wise and generous leaders—and from the pronouncements which I can vividly recall, sitting then where you sit now—including the programs of two great Presidents, the undimmed eloquence of Churchill, the soaring idealism of Nehru, the steadfast words of de Gaulle. To speak from this same historic rostrum makes me very solemn. To be back among so many friends makes me very glad.

President Kennedy

I am confident that friendship will continue. Our Constitution wisely assigns both joint and separate roles to each branch of the government; and a President and Congress who hold each other in mutual respect will neither permit nor attempt any trespass. For my part, I shall withhold from neither the Congress nor the people any fact or report, past, present or future, which is necessary for a free and informed judgment of our conduct and hazards. I shall neither shift the burden of executive decisions to the Congress, nor avoid responsibility for the outcome of those decisions.

Hour of National Peril

I speak today in an hour of national peril and national opportunity. Before my term has ended we shall have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain. The answers are by no means clear. All of us together—this administration, this Congress, this nation — must forge those answers.

But today, were I to offer—after little more than a week in office — detailed legislation to remedy every national ill, the Congress would rightly wonder whether the desire for speed had replaced the duty of responsibility.

My remarks, therefore, will be limited. But they will also be candid. To state the facts frankly is not to despair the future nor indict the past. The prudent heir takes careful inventory of his legacies, and gives a faithful accounting to those whom he owes an obligation of trust. And, while the occasion does not call for another recital of our blessings and assets, we have no greater asset than the willingness of a free and determined people, through its elected officials, to face all problems frankly and meet all dangers free from panic or fear.

I

The present state of the economy is disturbing. We take office in the wake of seven months of recession, 3½ years of slack, seven years of diminished economic growth, and nine years of falling farm income.

Business bankruptcies have reached their highest level since the Great Depression. Since 1951 farm income has been squeezed down by 25%. Save for a brief period in 1958, insured unemployment is at the highest peak in history. Of some 5.5 million Americans without jobs, more than one million have been searching for work for more than four months. And during each month some 150,000 workers are exhausting their already meager jobless benefit rights.

Nearly one-eighth of those who are without jobs live almost without hope in nearly a hundred especially depressed and troubled areas. The rest include new school graduates unable to use their talents, farmers forced to give up the part-time jobs that had balanced their budgets, skilled and unskilled workers laid off in such important industries as metals, machinery, automobiles and apparel.

Our recovery from the 1958 recession, moreover, was anemic and incomplete. Our gross national product never regained its full potential. Unemployment never returned to normal levels. Maximum use of our industrial capacity was never restored.

Troubled Economy

In short, the American economy is in trouble. The most resourceful industrialized economy on earth ranks among the last in economic growth. Since last spring it has actually receded. Business investment is in a decline. Profits have fallen below predicted levels. Construction is off. A million unsold automobiles are in inventory. Fewer people are working—and the average work week has shrunk well below 40 hours. Yet prices have continued to rise—so that now too many Americans have less to spend for items that cost them more to buy.

Economic prophecy is at best an uncertain art—as demonstrated by the prediction one year ago from this podium that 1960 would be "the most prosperous year in our history." Nevertheless, forecasts of continued slack and only slightly reduced unemployment throughout 1961 and 1962 have been made with alarming unanimity — and this administration does not intend to stand helplessly by.

We cannot afford to waste idle hours and empty plants while awaiting the end of a recession. We must show the world what a free economy can do—to reduce unemployment, to put unused capacity to work, to spur new productivity, and to foster higher economic growth within a framework of sound fiscal policies and relative price stability.

Proposed Program

I will propose to the Congress within the next 14 days measures to improve unemployment compensation through temporary increases in duration on a self-supporting basis — to provide more food to the families of the unemployed, and to aid their needy children — to redevelop our areas of chronic labor surplus — to expand the services of the United States employment offices — to stimulate housing and construction — to secure more purchasing power for our lowest paid workers by raising and expanding the minimum wage—to offer tax incentives for sound plant investment — to increase the development of our natural resources — to encourage price stability — and to take other steps aimed at insuring a prompt recovery and paving the way for increased long-range growth. This is not a partisan program concentrating on our weaknesses — it is a national program to realize our strength.

II.

Efficient expansion at home, stimulating the new plant and technology that can make our goods more competitive, is also the key to the international balance of payments problem. Laying aside all alarmist talk and panicky solutions, let us put that knotty problem in its proper perspective.

It is true that, since 1958, the gap between the dollars we spend or invest abroad and the dollars returned to us here has substantially widened. This overall deficit in our balance of payments increased by nearly $11 billion in these three years, and holders of dollars abroad converted them to gold in such quantity as to cause a total outflow of nearly $5 billion from our gold reserve. The 1959 deficit was caused in large part by the failure of our exports to penetrate foreign markets — the result both of restrictions on our goods and our own uncompetitive prices. The 1960 deficit, on the other hand, was more the result of an increase in private capital outflow seeking new opportunity, higher return or speculative advantage abroad.

Meanwhile, this country has continued to bear more than its share of the West's military and foreign aid obligations. Under existing policies, another deficit of $2 billion is predicted for 1961—and individuals in those countries whose dollar position once depended on these deficits for improvement now wonder aloud whether our gold reserves will remain sufficient to meet our obligations.

All this is cause for concern—but it is not cause for despair. For our monetary and financial position remains exceedingly strong. Including our drawing rights in the International Monetary Fund and the gold reserve held as backing for our currency and Federal Reserve deposits, we have some $22 billion in total gold stocks and other international monetary reserves — and I now pledge that their full strength stand behind the value of the dollar for use if needed.

Moreover, we hold large assets abroad—the total owed this nation far exceeds the claims upon our reserves—and our exports once again substantially exceed our imports.

Pledges to Maintain $35 Gold Dollar

In short, we need not—and we shall not—take any action to increase the dollar price of gold from $35 an ounce—to impose exchange controls — to reduce our anti-recession efforts — to fall back on restrictive trade policies—or to weaken our commitments around the world.

This administration will not distort the value of the dollar in any fashion. That is a pledge.

Prudence and good sense do require, however, that new steps be taken to ease the payments deficit and prevent any gold crisis. Our success in world affairs has long depended in part upon foreign confidence in our ability to pay. A series of executive orders, legislative requests and cooperative efforts with our allies will get under way immediately—aimed at attracting foreign investment and travel to this country—promoting American exports, at stable prices and with more liberal governmental guarantees and financing—curbing tax and customs loopholes that encourage undue spending of private dollars abroad — and (through OECD, NATO and otherwise) sharing with our allies all efforts to provide for the common defense of the free world and the hopes for growth of the less developed lands. While the current deficit lasts, ways will be found to ease our dollar outlays abroad without placing the full burden on the families of men whom we have asked to serve our colors overseas.

This administration, intends, in short, to back up all our efforts abroad, and to make certain that, in the future as in the past, the dollar is as "sound as a dollar."

III.

But more than our exchange of international payments is out of balance. The current Federal budget for fiscal 1961 is almost certain to show a net deficit. The budget already submitted for fiscal 1962 will remain in balance only if Congress enacts all the revenue measures requested—and only if an earlier and sharper upturn in the economy than my economic advisers now think likely produces the tax revenues estimated. Nevertheless, a new administration must of necessity build on the spending and revenue estimates already submitted. Within that framework, barring the development of urgent national defense needs or a worsening economy, it is my current intention to advocate a program of expenditures which, including revenues from a stimulation of the economy, will not of and by themselves unbalance the earlier budget.

"Unfinished and Neglected" Tasks

However, we will do what must be done. For our national household is cluttered with unfinished and neglected tasks. Our cities are being engulfed in squalor. Twelve long years after Congress declared our goal to be "a decent home and a suitable environment for every American family" we still have 25 million Americans living in sub-standard housing. A new housing program under a new housing and urban affairs department will be needed this year.

Our classrooms contain two million more children than they properly have room for, taught by 90,000 teachers not properly qualified to teach. One-third of our most promising high school graduates are financially unable to continue the development of their talents. The war babies of the 1940s, who overcrowded our schools in the 1950s, are now descending in the 1960s upon our colleges — and our colleges are ill prepared. We lack the scientists, the engineers and the teachers our world obligations require. We have neglected oceanography, saline water conversion, and the basic research that lies at the root of all technological progress. Federal grants for both higher and public school education can no longer be delayed.

Health Lacks Noted

Medical research has achieved new wonders — but these wonders are too often beyond the reach of too many people, owing to a lack of income (particularly among the aged), a lack of hospital beds, a lack of nursing homes and a lack of doctors and dentists. Measures to provide health care for the aged under Social Security, and to increase the supply of both facilities and personnel, must be undertaken this year.

There are other sore spots on the American scene. Our supply of clean water is dwindling. Organized and juvenile crimes cost the taxpayers millions of dollars each year, making it essential that we have improved enforcement and new legislative safeguards. The denial of constitutional rights to some of our fellow Americans on account of race—at the ballot box and elsewhere—disturbs the national conscience and subjects us to the charge of world opinion that our democracy is not equal to the high promise of our heritage. Morality in private business has not been sufficiently spurred by morality in public business. A host of problems and projects in all 50 states, though not possible to include in this message, deserves—and will receive—the attention of both the Congress and the executive branch. On most of these matters, messages will be sent to the Congress within the next two weeks.

IV.

But all these problems pale when placed beside those which confront us around the world. No man entering upon this office, regardless of his party, regardless of his previous service in Washington, could fail to be staggered upon learning—even in this brief 10 days period—the harsh enormity of the trials through which we must pass in the next four years. Each day the crises multiply. Each day their solution grows more difficult. Each day we draw nearer the hour of maximum danger, as weapons spread and hostile forces grow stronger. I feel I must inform the Congress that our analyses over the last 10 days make it clear that — in each of these principal areas of crisis—the tide of events has been running out and time has not been our friend.

In Asia, the relentless pressures of the Communist Chinese menace the security of the entire area—from the borders of India and South Viet Nam to the jungles of Laos, struggling to protect its new-won independence. We seek in Laos what we seek in all Asia, and, indeed, in all the world—freedom for the people and independence for their government. This nation shall persevere in our pursuit of these objectives.

In Africa the Congo has been brutally torn by civil strife, political unrest and public disorder. We shall continue to support the heroic efforts of the United Nations to restore peace and order—efforts which are now endangered by mounting tensions, unsolved problems and decreasing support from many member states.

Cuba vs. United States

In Latin America, Communist agents seeking to exploit that region's peaceful revolution of hope have established a base on Cuba, only 90 miles from our shores. Our objection with Cuba is not over the people's drive for a better life. Our objection is to their domination by foreign and domestic tyrannies. Cuban social and economic reform should be encouraged. Questions of economic and trade policy can always be

Continued on page 32

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Donald J. Carss, Emil Distel, Robert J. Grimmig, John F. Simpson and Robert J. Weigel have been appointed Assistant Secretaries of **Chemical Bank New York Trust Company, N. Y.**

* * *

Approval has been given to certificate of increase of capital stock of the **Chemical Bank New York Trust Company, New York,** from $101,719,080 consisting of 8,476,590 shares of the par value of $12 each, to 106,800,000 consisting of 8,900,000 shares of the same par value.

* * *

A. Thomas Allin, Jr., Bruce Kniffen and W. Perry Neff have been appointed Assistant Trust Officers in the Personal Trust Department of **Chemical Bank New York Trust Company, New York.** Other appointments were: George J. Senger, Assistant Treasurer, Metropolitan Division; Theodore H. Fischer, Assistant Personnel Director, and Martin W. Herrick, Manager, Metropolitan Division.

* * *

Approval has been given to certificate of Amendment of certificate of Incorporation providing for an increase of capital stock of the **Hanover Bank, New York,** from $45,000,000 consisting of 4,500,000 shares of the par value of $10 each, to $50,000,000 consisting of 5,000,000 shares of the par value of $10 each.

* * *

The Irving Trust Company, N. Y. has received permission to increase its common capital stock from $53,060,400 consisting of 5,306,040 shares of the par value of $10 each, to $54,121,610 consisting of 5,412,161 shares of the same par value.

* * *

Charles J. Schor has been named a Vice-President and George Gross an Assistant Vice-President of the **Trade Bank and Trust Company, New York.**

* * *

Approval has been given to a certificate to increase its capital stock from $3,540,610 consisting of 354,061 shares of the par value of $10 each to $3,823,860 consisting of 382,386 shares of the same value for the **Trade Bank and Trust Company, New York, N. Y.**

* * *

Samuel H. Golding, Chairman of the board, **Sterling National Bank & Trust Company, New York,** announces the election of Ira Hirschmann as Vice-President, effective Feb. 1.

* * *

H. M. Grindell has been appointed as Chief of the **Royal Bank of Canada's** New York agency. He will succeed J. W. Ganann, who has been appointed Assistant General Manager of the head office in Montreal.

* * *

Dr. Raymond J. Saulnier was elected a Trustee of the **Bank for Savings in the City of New York, New York.**

* * *

John R. Crews was elected a Trustee of the **Hamburg Savings Bank of Brooklyn, N. Y.**

* * *

President Adam Schneider, Jr. of **Roosevelt Savings Bank, Brooklyn, N. Y.** announced the appointment of Arthur T. Loehrer as Assistant Comptroller of the Bank.

* * *

The Bensonhurst National Bank of Brooklyn in New York, New York, N. Y., has increased its common capital stock from $800,000 to $1,000,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 100,000 shares, par value $10).

* * *

John Burling, 72, former President of the old **Citizens Bank of White Plains, New York,** died Jan. 14.

He became Assistant Board Chairman after the **Citizens Bank** was merged with the **County Trust Company, White Plains, N. Y.** in 1950.

* * *

Approval has been given to a Certificate of Amendment of Certificates of Incorporation providing for a change in the number and par value of shares of capital stock of the **Osborne Trust Company, East Hampton, New York,** from $175,000 consisting of 3,500 shares of the par value of $50 each, to $350,000 consisting of 35,000 shares of the par value of $10 each.

* * *

Vincent L. Amato has been promoted to Vice-President of the **National Bank of Westchester, White Plains, New York.**

* * *

Approval has been given to a certificate of amendment of certificate of Incorporation providing for a reduction of capital stock of the **First Trust & Deposit Company, Syracuse, New York,** from $2,579,127.50 consisting of $225,610 of Cumulative Convertible Preferred Stock divided into 45,122 shares of the par value of $5 each and $2,353,517.50 of common stock, divided into 941,407 shares of the par value of $2.50 each; to $2,569,972.50 consisting of $225,610 of cumulative convertible preferred stock, divided into 45,122 shares of the par value of $5 each and $2,344,362.50 of common stock, divided into 937,745 shares of the par value of $2.50 each.

* * *

James T. Margotta has been elected a Director of the **First National Bank of North Tarrytown, North Tarrytown, N. Y.**

* * *

Louis Weinstock will succeed the late Devoe Bingham as Director of the **Northern Westchester National Bank, Chappaqua, N. Y.**

* * *

By a stock dividend, the **Canal National Bank, Portland, Maine,** has increased its common capital stock from $2,100,000 to $2,200,000, effective Jan. 13. (Number of shares outstanding 220,000 shares, par value $10).

* * *

Norris Pulsifer Eveleth, President of the **Ocean National Bank, Kennebunk, Maine,** died at the age of 77, Jan. 13.

* * *

Francis W. Hatch, Jr., Edmund H. Kendrick, Philip Dean and John W. Bryant were elected directors of the **Fiduciary Trust Company, Boston, Mass.**

* * *

The First National Bank of Boston, Mass., has elected Howard J. Cadwell, E. Weldon Schumacher, and Robert C. Sprague Directors.

* * *

Frederick D. Grave and Abbott H. Davis were elected Associate Directors of the **First New Haven National Bank, New Haven, Conn.**

* * *

Trust Company of Morris County, Morristown, N. J., on Jan. 26 appointed Wilbert J. Snipes, to Vice-President, and David T. Pyne was elected Trust Officer.

* * *

Robert B. Hansen has been elected President of the **Leonia Bank & Trust Company, Leonia, N. J.** Former President, J. F. Seal, has been elected Chairman.

Jerome J. Kaufman, has been elected to the Board of Directors of the **First National Bank, Akron, Ohio.**

* * *

The **National State Bank of Newark, New Jersey** has announced the promotion of James L. Kilpatrick, Jr., to Vice-President.

* * *

John W. Kress has been elected President of the **Howard Savings Institution of Newark, New Jersey.** Mr. Kress was formerly Executive Vice-President and will succeed William L. Maude. Mr. Maude was advanced to Chairman. Waldron Ward, who Mr. Maude succeeds, will become Honorary Chairman.

* * *

Erwin O. Kraft and Robert W. Siebert, Vice-Presidents, were added to the Board of Directors of the **First National Bank of Passaic County, Paterson, N. J.**

The shareholders, also, agreed to an increase in the common stock of the bank from $5,000,000 to $5,500,000 by the issuance of a stock dividend of $500,000 or one new share for each 10 held. The increase is represented by 20,000 shares of $25 par value each.

* * *

Mr. Stephen Dudiak, a Director, has been elected Senior Vice-President of **The Franklin Trust Company, Paterson, N. J.**

* * *

It has been announced that over the last six years the **National State Bank of Elizabeth, N. J.,** has increased its capital funds account from $3,991,938 to $7,246,477.

* * *

The Commercial Trust Company of New Jersey, has announced the election of Philip Flazman, Frederick E. Baumann, and Otto Kohler as Directors. They were formerly Directors of the **Weehawken Trust Company, Weehawken, N. J.**

* * *

The appointment of Ralph D. Spencer, Jr. as a Vice-President of **The First National Bank of Jersey City, N. J.,** has been announced.

* * *

Irving Riker has been elected to succeed Roy F. Duke, who retired, as Chairman of **Fidelity Union Trust Company, Newark, N. J.** Hubert F. O'Brien, Harris F. Smith, and Nathan H. Wentworth were named Directors.

* * *

Richard D. Flinn has been appointed Trust Officer in the Trust Department of **Mellon National Bank and Trust Company, Pittsburgh, Pa.**

* * *

Directors of **Western Pennsylvania National Bank, Pittsburgh, Pa.,** declared a stock dividend equal to one share of stock for each 50 shares held, payable to shareholders of record Jan. 24.

* * *

By a stock dividend, the **Second National Bank of Connellsville, Connellsville, Pa.,** has increased its common capital stock from $300,000 to $400,000, effective Jan. 16. (Number of shares outstanding 16,000 shares, par value $25).

* * *

E. Richard Werner was elected to the Board of the **Central-Penn National Bank of Philadelphia, Pa.**

* * *

The First National Bank of Baltimore, Baltimore, Md., has increased its common capital stock from $5,450,000 to $8,175,000, by a stock dividend, effective Jan. 16. (Number of shares outstanding 817,500 shares, par value $10).

* * *

The Citizens National Bank of Laurel, Laurel, Md., has increased its common capital stock from $200,000 to $300,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 30,000 shares, par value $10).

* * *

The First and Citizens National Bank of Alexandria, Alexandria, Va., has increased its common capital stock from $1,350,000 to $1,485,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 148,500 shares, par value $10).

* * *

Thomas T. Arden has been elected a Director of the **Central National Bank of Richmond, Va.** Senior Vice-President, Hilton Herrmann was also elected a Director.

* * *

Carlisle R. Davis, Edward F. Gee, and I. Burwell have been elected Executive Vice-Presidents of the **State-planters Bank & Trust Company, Richmond, Va.** John C. Davis, Monrue P. Patterson, and James W. Rawles were elected Senior Vice-Presidents. Robert A. Browning, Jr., was elected Secretary.

* * *

Julius Klein will succeed the late Carl Byoir as a Director at the **Exchange National Bank of Chicago, Ill.**

* * *

The Commercial National Bank of Tiffin, Tiffin, Ohio, has reduced its common capital stock from $250,000 to $216,280 by a stock reduction, effective Jan. 10. (Number of shares outstanding 10,814 shares, par value $20).

* * *

The City National Bank of Tiffin, Tiffin, Ohio, has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 10,000 shares, par value $20).

* * *

The Huntington National Bank of Columbus, Columbus, Ohio, has increased its common capital stock from $7,200,000 to $8,000,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 400,000 shares, par value $20).

* * *

The Second National Bank of Warren, Warren, Ohio, by a stock dividend has increased its common capital stock from $1,000,000 to $1,250,000, effective Jan. 16. (Number of shares outstanding 25,000 shares, par value $50).

* * *

The First National Bank in Huntington, Huntington, Ind., has increased its common capital stock from $200,000 to $300,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 30,000 shares, par value $10).

* * *

A charter has been issued to the **Portage National Bank, Portage, Porter County, Ind.** Its President is John J. Williams and its Cashier is D. E. Gardner. It has a total of $350,000 in capital and surplus.

* * *

The stockholders of the **Continental Illinois National Bank and Trust Company of Chicago, Ill.** and the **City National Bank and Trust Company, Ill.** have approved the merger of the two institutions.

* * *

The Cosmopolitan National Bank of Chicago, Chicago, Ill. has increased its common capital stock from $1,650,000 to $1,815,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 18,150 shares, par value $100).

* * *

The Upper Avenue National Bank of Chicago, Chicago, Ill. has increased its common capital stock from $800,000 to $1,200,000 by a stock dividend, effective Jan. 13. (Number of shares outstanding 24,000 shares par value $50).

* * *

The First National Bank in Chicago Heights, Ill., has increased its common capital stock from $400,000 to $500,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 50,000 shares, par value $10).

* * *

The American National Bank and Trust Co., Rockford, Ill., has increased its common capital stock from $900,000 to $1,000,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 25,000 shares, par value $40).

* * *

The First National Bank and Trust Company of Evanston, Evanston, Ill. has increased its common

Continued on page 31

Fund Heads Mildly Bullish During Strong Stock Market

Continued from page 1

other 2500 shares on Dec. 21, 1960. The prices paid for these shares represented a substantial discount under the asset value at the time, and, accordingly, this action was considered a definite advantage to the shareholders." (As calculated by us, the market price at the time of these purchases represented a discount of 17½%.

This policy has been long-neglected by practically all the closed-end funds in the face of the demands therefor by a number of their shareholders and disinterested observers who have contended that the managements' negative attitude has not coincided with the best interests of the shareholders. They have pointed out that when an investment company, on the one hand, purchases shares of other companies, its future realizable capital value is necessarily uncertain. Contrastingly, purchases by a fund of its own shares at a discount from their net asset value immediately and automatically yields, with their redemption, a profit; and the value of the shares held by the remaining shareholders and the income therefrom are thus increased. Such constructive action has been abstained from apparently owing to the controlling desire by managements to increase rather than "unwind" total assets handled. (The long-term "unwinding", centering in the closed-ends with their basically fixed capitalization, results mainly from their usual distribution of cash via capital gains dividends, unless their stockholders choose to accept them in additional shares).

A fund's constructive *re-purchase* of its own outstanding shares at a discount is further highlighted by the contrasting proclivity of other closed-end investment companies, when the market's "going is good," to sell additional shares, via rights offerings. In thus selling shares at less than asset value, the managements dilute the equity of those shareholders who are unable or unwilling to subscribe to the offering—constituting an "assessment" under a process unwarranted in this financial area.

STOCK BUYERS

Prominent among the **balanced funds** who were net buyers of common stocks were: Axe B, Axe Science, Diversified Investment Fund, General Investors Trust, Loomis-Sayles Mutual, Massachusetts Life Fund, National Securities-Income, Scudder, Stevens & Clark, Shareholders' Trust of Boston (which bought $3,287,000 worth of common stocks while selling only $6,000), Stein Roe & Farnham Balanced Fund (which management is reportedly the adviser of newly appointed Secretary of Defense McNamara), and Wellington Fund. These were joined, among the **open-end stock funds** by Affiliated Fund, Bullock Fund, Dreyfus Fund, Energy Fund, Fundamental Investors, Group Securities-Common Stock Fund, Guardian Mutual, Institutional Investors Mutual, Investment Trust of Boston, Massachusetts Investors Growth Stock, National Investors, National Securities-Stock, T. Rowe Price, Scudder, Stevens & Clark Common, Selected American Shares, and the four funds in the United Funds Group. The few net buyers of common stocks among the **closed-end companies** (which, of course enjoy greater portfolio discretion) included American European Securities, Dominick Fund and General Public Service.

STOCK SELLERS

Substantial net sellers of common stocks among the **open-end balanced funds** included Broad Street Investing, Commonwealth Investment, Eaton & Howard Balanced Fund, Nation-Wide Securities, George Putnam and especially the Value Line Income Fund. Net sellers among **open-end stock funds** included Blue Ridge Mutual, Dividend Shares, Incorporated Investors (by a large margin), Investment Co. of America, One William Street and State Street Investment. As mentioned above, most **closed-end companies** were net sellers of commons. By a particularly wide margin this was the case with Adams Express and American International, as well as General American Investors, Lehman Corp. and Madison Fund. U. S. & Foreign Securities, as has been the case throughout recent years, exclusively stuck to the selling side. This company, 8% of whose capitalization — 265,000 shares worth $7½ million at its current market price—was owned at the year-end by subsequently inducted Secretary of the Treasury Douglas Dillon, reports its setting-up of an $8,600,000 reserve for "Federal Income Tax in controversy."

THE CONFIDENT CONTINGENT

Typical of "constructive" expressions during the quarter is the following from Charles M. Werly of the George Putnam Funds who telegraphed to all its wholesalers:

"Stock market weakness plus domestic and foreign political uncertainties are causing increasing concern among investors and investment dealers. If business and consumer sentiment does not weaken seriously, personally believe economy will work out of the current slowdown without too much damage. Our policy in both Putnam Funds is to use the present period for selective purchases of common stocks with good long-term outlooks".

From National Securities and Research Corp., manager of a large number of funds, there comes the following:

"Indicated gains in personal income supporting higher consumer spending, additional outlays by Federal, state and local governments and increased construction activity will, in our opinion, furnish the stimuli for renewed expansion of business activity as the year progresses. Ample productive capacity and lessened inflationary fears are encouraging inventory retrenchment which we think will be completed in the months ahead, after which we believe the underlying strength in demand will call forth an expansion of production and employment . . . Although 1961 will, in our opinion, witness further adjustments in various industries, we believe that common stock prices during the course of the year will anticipate improvements that can reasonably be expected after such adjustments have been made."

From Samuel R. Campbell, President, and Emlen S. Hare, Chairman of the Institutional Shares Group:

"There is reason for optimism regarding the outlook for 1961. It is our belief that the business readjustment of 1960 will have reached bottom by the middle of next year and perhaps sooner. Thereafter, we expect the maintenance of business on a high plateau, perhaps for the remainder of the year. . . An unknown factor in the business outlook is the effectiveness of measures which will be taken by the new national administration to stimulate the economy. Such measures seem more likely to have a positive than a negative effect on business."

"There are many cross-currents in the economy of today, both at home and abroad, which will call for careful attention by investors during the coming year" asserts James H. Orr, President of Colonial Fund. "At the fiscal year end, your Fund held 69% of its investments in common stocks and 31% in fixed-income securities. We have already begun to increase the percentage of common stocks held in the portfolio and, barring unforeseen developments, will continue in this direction. This will mean a reduction in the percentage of fixed-income securities held in the portfolio."

Likewise, expressing confidence in the long term business and economic outlook, and assuming that such eventuality will be translated into stock market action, is the Lazard Fund management. Its year-end report, signed by Albert J. Hettinger, Jr., Chairman, and Richard H. Mansfield, President, maintains the following:

"It is impossible, except with the wisdom of hindsight, to date the completion of a business readjustment. We doubt whether this one will be viewed in retrospect as severe. The miscalculations of business in 1960 are now those of a past period. Wise or unwise government policies can contribute to or retard recovery, but business improves when the country gains confidence that maladjustments are being corrected. With large reserves of manpower and facilities, an expanding technology and an unusually high rate of savings, this country possesses requisites for a cyclical upswing of proportions not matched in any other industrial nation. **We therefore believe our well invested position sound.**" (Emphasis ours)

More unequivocally pronounced is the following from Maurice T. Freeman, President of Loomis-Sayles Mutual Fund:

" . . . Circumstances are developing which appear to justify the beginning of a more constructive attitude towards common stocks than a year ago. Therefore . . . there is reason to begin to accumulate additional common stocks which have a favorable outlook and represent reasonable values at existing prices. This is the present attitude and policy of your management . . . The danger to the investor would seem to lie in becoming overly pessimistic about common stocks as they become less popular and as they decline. As a result, a program of adding to your Fund's common stock position has been initiated in recent moonths." This fund, in its year-to-year portfolio comparison, shows new emphasis on aircraft and missile stocks, food and tobacco, natural gas and retail stocks; while it has de-emphasized electrical-electronics, oil, automobile and railroad stocks.

Imperial Capital Fund, through its President, Albert M. Sheldon, Jr., has this to say:

"When the market reached its 1960 bottom to date (566 on the Dow Industrial Average) in October, we commenced aggressively buying common stocks again, and have done so **daily** ever since. We are continuing to buy common stocks and convertible securities daily, selling Governments to do so."

Massachusetts Life Fund, through its President Lawrence A.

Sykes, reports: "We have started to take a more constructive attitude towards selective stocks whose outlook in 1961 is for improving earnings."

The Dominick Fund, through President A. Varick Stout, reports an end-of-the-year increase of its position in the steel, office equipment, and food industries; as well as in the insurance and finance company areas.

In his forecast for 1961, President Edward P. Rubin of Selected American Shares states:

"A new rising phase (bull market) in stock prices will begin in 1961. Although the Dow-Jones Industrial Stock Average made its high in January 1960, many other important stock averages made their highs in August 1959, or earlier. Thus the bear market now possibly still in effect is getting a little old. In numerous instances, individual stocks have declined 30%, 40%, 50% and even more. The declines have been especially severe in those cyclical issues which can be said to have been discounting the present business recession. Since that recession seems likely to terminate in a new upward surge of business later in 1961, it would be normal for the stock market to begin discounting the favorable turn some months in advance of the event."

THE CAUTIOUS CONTINGENT

Exemplifying the "bearish" segment of the fund managers, D. Moreau Barringer of Delaware Fund and Delaware Income Fund, recently had this to say: " . . . it doesn't seem likely that any convincing upward move of the whole market is pending. This is reflected in the portfolios of the two Funds—Delaware Fund has about 13% of its assets in cash, government bonds, and conservative corporate bonds; Delaware Income Fund has 27% of its assets in cash and prior securities."

The Dreyfus Fund closed the year with an attitude somewhat more defensive than usual, reflected in a 12-month increase in its cash position from 5% to 17%. Jack J. Dreyfus Jr., President of this fund which has been credited with "coups" in a number of individual issues, quite modestly and sophisticatedly has this to say in his annual report: "1960 was one of those years when the value concepts, at least as they are generally understood, just went out the window for a time. Securities earning good money currently were comparatively ignored part of the year for those that were earning little or nothing, but had "prospects". Those who tried to stay in the swim were not concerned with what they thought was the value of the security, but what others were going to think was the value of the security. This sort of guessing game is very intriguing, but very strenuous on a mutual fund management. For us it was a difficult year because patience is harder than action, and a middle of the road policy more strenuous on the nerves than a positive approach. We are glad the year is over and thankful that we went through it as comparatively well as we did.

It would be nice to be able to make some profound statements about 1961, but when one really doesn't have an opinion, it is best to heed Mark Twain's "It's better to keep your mouth shut and appear stupid than to open it and remove all doubt."

Also exemplifying a constructive but thoroughly cautious attitude is the following statement from Milan D. Popovic, President of Blue Ridge Mutual Fund: "Stock prices are relatively high . . . but in the light of tremendous accumulation of investment capital, they are probably going to continue to be so, simply because the investors are already looking forward to the coming recovery. We suggest a somewhat optimistic but cautious investment policy with emphasis upon care in selection of holdings . . . Accordingly, about 80% of our present portfolio emphasizes longer-range market appreciation. The backlog of cash and issues with well protected assets and income totaling 20% provide us with flexibility and an opportunity to capitalize on any temporary untoward market developments, where such reserves could be extremely valuable."

Realism On Growthmanship

The post-market peak skepticism concerning the **growth** credo is typified by this statement from Edward Merkle, President of the Madison Fund: "As I have publicly stated on several occasions in the last six months, the most difficult problem for investment analysts has been the evaluation of growth shares. We have been sellers of certain stocks when we felt that the price-times-earnings ratio reached proportions which could not be justified, even by glowing prospects for the future, and we will continue to accept profits in such areas as the story unfolds. We are fully cognizant of the scarcity of such vehicles, and the tremendous demand generated from investors who have more or less decided to avoid the blue chips of the past and are concentrating their efforts on finding the blue chips of the future."

ATTITUDE TOWARD OVERSEAS INVESTMENTS

The interest in foreign stocks continued lively during the quarter. While still not very large in terms of dollar value, the interest became even more widespread in number of issues concerned.

With the return of the oils to greater market attention, Royal Dutch, the largest foreign oil stock, returned to favor. It had 10 buyers and only 3 sellers during the final quarter, whereas during

Continued on page 23

Changes in Common Stock Holdings of 71 Investment Management Groups

(October-December, 1960)

Issues in which transactions by more than one management group occurred. Issues which more managements sold than bought are in italics. Numerals in parentheses indicate number of managements making entirely new purchases or completely eliminating the stock from their portfolios. *(Purchases shown exclude shares received through stock splits, stock dividends, spin-offs or mergers, both of portfolio companies or via acquisition of private holding companies. Number of shares bought or sold prior to a stock split is expressed giving effect to the split.)*

—Bought—			—Sold—	
No. of Mgts.	No. of Shares		No. of Shares	No. of Mgts.
		Agricultural Equipment		
3	*31,600*	*Deere*	*58,000*	*6(3)*
2	*10,000*	*International Harvester*	*39,300*	*4*
		Aircraft and Aircraft Equipment		
3(3)	46,000	Boeing Airplane	None	None
1	2,800	Chance Vought	1,000	1(1)
2(1)	12,444	Garrett	None	None
4(2)	10,000	General Dynamics	4,700	1(1)
2(1)	15,500	Lockheed Aircraft	None	None
6	42,100	Martin	3,000	1
2	30,200	North American Aviation	5,300	1
2(2)	11,100	Republic Aviation	None	None
4	3,960	United Aircraft	10,000	1(1)
None	*None*	*Grumman Aircraft*	16,500	2
		Airlines		
2(2)	58,500	American Airlines	20,900	2(2)
1	1,000	Eastern Air Lines	1,400	1
5(3)	56,060	United Air Lines	5,517	1
		Automotive		
2(1)	65,500	Chrysler	None	None
2	36,000	Fruehauf Trailer	None	None
1	1,000	White Motor	19,100	1
2(1)	*49,200*	*Ford Motor*	*93,700*	*6(1)*
4	*34,200*	*General Motors*	*90,000*	*6(2)*
		Automotive Equipment		
2(1)	31,300	Borg-Warner	8,000	1(1)
3(1)	9,900	Briggs & Stratton	1,700	1(1)
3(3)	226,400	Champion Spark Plug	None	None
1	8,000	Dana	600	1
3(2)	4,000	Electric Storage Battery	1,000	1
3(3)	38,100	Thompson Ramo Wooldridge	10,000	1(1)
1	*500*	*Bendix*	*9,400*	*3(1)*
		Banks		
2(1)	35,000	Bankers Trust	None	None
3	35,080	Chase Manhattan Bank	25,000	1(1)
2	12,000	Chemical Bank New York Trust	2,500	2(1)
2(1)	56,000	Firstamerica	4,000	1(1)
2	9,300	First Bank Stock	None	None
2	9,250	First National Bank of Boston	None	None
2	3,500	Northern Trust, Chicago	None	None
1(1)	*9,465*	*Morgan Guaranty Trust*	*17,000*	*2(1)*
		Beverages		
3(1)	13,500	Anheuser Busch	None	None
2(1)	27,000	Canadian Breweries	None	None
5(3)	18,600	Coca-Cola	3,000	1(1)
8(2)	86,500	Pepsi-Cola	45,000	1
		Building, Construction and Equipment		
2(1)	10,100	Bestwall Gypsum	7,500	1
3(2)	17,000	Carrier	900	1
3(3)	63,300	Diamond National	None	None
3(1)	20,355	Georgia-Pacific	None	None
4(1)	32,200	General Portland Cement	20,000	1
3(1)	9,900	Johns-Manville	None	None
1	22,600	Lehigh Portland Cement	5,000	1(1)
1	8,000	National Lead	1,500	1
3(1)	17,800	Otis Elevator	109,000	3(2)
2	1,300	Sherwin-Williams	12,000	1(1)
3(3)	34,200	Walter (Jim)	None	None
None	*None*	*American Standard*	*153,000*	*3(3)*
1	*10,000*	*Lone Star Cement*	*84,000*	*2(2)*
1	*3,000*	*Penn-Dixie Cement*	*2,400*	*2(1)*
2(1)	*6,500*	*U. S. Gypsum*	*29,700*	*4(2)*
		Chemicals and Fertilizer		
2	7,800	Air Products	None	None
4	19,500	Allied Chemical	12,500	3(2)
4(2)	5,200	American Potash & Chemical	None	None
2	3,400	Atlas Powder	None	None
2(1)	6,500	Badische Anilin (ADR)	None	None
3	2,337	Dow Chemical	8,916	3
4(1)	2,225	du Pont	8,000	3(2)
3(1)	3,500	Eastman Kodak	6,300	3(1)
3(1)	18,000	Farbenfabriken Bayer (ADR)	None	None
2(2)	11,500	Farbwerke Hoechst (ADR)	None	None
4(1)	14,800	Food Machinery & Chemical	None	None
4(3)	115,300	Freeport Sulphur	500	1(1)
3	8,100	Hercules Powder	9,500	3
2	4,500	Hooker Chemical	None	None
1(1)	4,000	Interchemical	500	1
2	7,000	Internat'l Minerals & Chemicals	None	None
9(2)	61,438	Monsanto Chemical	4,620	3(1)
2(1)	14,100	National Starch & Chemical	None	None
4(1)	28,300	Pennsalt Chemicals	None	None
2(1)	14,145	Potash Co. of America	None	None
2(1)	8,310	Rayonier	74,830	2(2)
1	100	Rohm & Haas	703	1

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Joins Wayne Hummer

CHICAGO, Ill. — Max E. Binz II, has become connected with Wayne Hummer & Co., 105 West Adams Street, members of the New York and Midwest Stock Exchanges.

Forms Consolidated Plann'g

Moise Katz is conducting a securities business from offices at 299 Madison Avenue, New York City, under the firm name of Consolidated Planning Company.

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—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
7	46,762	Stauffer Chemical	22,414	2(1)
2	16,800	Union Carbide	2,300	2
3(1)	4,700	United Carbon	None	None
None	*None*	*Air Reduction*	*17,900*	*3(2)*
None	*None*	*American Agricultural Chem.*	*2,800*	*2*
2	*70,200*	*American Cyanamid*	*54,500*	*3(3)*
		Coal		
3(1)	67,900	Peabody Coal	None	None
1	12,000	Pittston	22,600	1
None	*None*	*Consolidation Coal*	*53,300*	*3(2)*
		Containers		
3	62,900	American Can	None	None
7(2)	40,800	Continental Can	28,400	2(1)
2	27,100	Crown Cork & Seal	None	None
2	14,600	Lily-Tulip Cup	24,200	2
		Drug Products		
2	2,500	Abbott Laboratories	4,800	2
1(1)	11,000	American Home Products	21,700	1
3	15,500	Bristol-Myers	500	1
2(1)	3,500	Norwich Pharmacal	10,400	1(1)
3	55,500	Pfizer (Chas.)	43,200	3(1)
3(2)	16,933	Richardson-Merrell	5,833	1(1)
5(1)	18,300	Schering	34,800	3(1)
1	500	Searle (G. D.)	1,000	1(1)
4(1)	29,800	Sterling Drug	None	None
3(1)	23,300	Upjohn	35,000	3(1)
1	8,000	Warner-Lambert	1,500	1(1)
1	*2,000*	*Carter Products*	*6,500*	*3*
3	*33,400*	*Mead Johnson*	*32,000*	*4(1)*
2	*1,500*	*Merck*	*35,800*	*5(1)*
3	*5,900*	*Parke, Davis*	*125,800*	*5(3)*
1(1)	*1,200*	*Smith, Kline & French*	*7,400*	*2*
		Electricals, Electronics and Instrumentation		
3(1)	16,400	AMP, Inc.	None	None
3	28,000	Ampex	39,000	3(1)
2(1)	5,200	Beckman Instruments	None	None
2	10,200	Cenco Instruments	4,000	1
3(1)	10,600	Control Data	None	None
2(1)	25,692	Emerson Electric Mfg.	750	1
2(1)	18,500	Foxboro	None	None
4	11,600	General Electric	51,700	3(2)
1	1,000	International Resistance	4,000	1(1)
7(2)	121,500	International Tel. & Tel.	35,800	4(1)
2	30,000	Litton Industries	None	None
2	76,000	McGraw-Edison	800	1
2(1)	3,000	Microwave Associates	None	None
2(1)	1,800	Robertshaw-Fulton Controls	5,400	1
4(3)	28,200	Sperry Rand	12,400	1
3	23,700	Square D	None	None
1	5,000	Sunbeam	1,000	1
5(2)	6,150	Texas Instruments	6,000	2
3(2)	53,000	Transitron Electronic	None	None
2(2)	3,100	Varian Associates	1,500	1(1)
None	*None*	*FXR*	*3,500*	*2(1)*
1(1)	*12,000*	*Hazeltine*	*13,632*	*2(2)*
1	*200*	*Minneapolis-Honeywell*	*14,000*	*2(1)*
None	*None*	*Philco*	*17,700*	*2*
2(1)	*4,500*	*Philips' Lamp Works (fl. 50 or equivalent)*	*26,185*	*8*
3(1)	*12,140*	*RCA*	*58,800*	*5(4)*
None	*None*	*Siemens & Halske (ADR)*	*5,500*	*2(1)*
None	*None*	*Sprague Electric*	*27,500*	*3(2)*
2	*34,800*	*Westinghouse Electric*	*132,300*	*5(2)*
		Finance Companies		
1	5,000	Beneficial Finance	720	1
5(1)	12,600	C. I. T. Financial	5,200	1(1)
1	235	Financial Federation	5,500	1
4(1)	39,500	First Charter Financial	None	None
3	31,800	Great Western Financial	None	None
3	17,500	Heller (Walter E.)	None	None
1	13,100	Household Finance	305	1
1	*1,000*	*Associates Investment*	*19,000*	*3(2)*
None	*None*	*Commercial Credit*	*4,000*	*3(2)*
		Food Products		
3	14,000	Armour	500	1(1)
1	7,900	Borden	8,500	1
3(3)	20,600	Campbell Soup	5,000	2(1)
1(1)	6,300	Continental Baking	12,000	1(1)
3	38,700	Corn Products	9,400	3
2	1,100	Hunt Foods & Industries	None	None
3(1)	5,300	National Biscuit	3,060	1
3	11,600	National Dairy	None	None
2	2,400	Pillsbury	None	None
1	3,100	Standard Brands	5,500	1(1)
6(1)	27,900	Swift	None	None
5(2)	34,900	Wilson	None	None
1(1)	*10,000*	*Heinz (H. J.)*	*3,100*	*2*
None	*None*	*Kellogg*	*1,200*	*2*
		Glass		
1	1,700	Anchor Hocking Glass	2.400	1(1)
2	800	Corning Glass Works	None	None
3	1,800	Owens-Illinois Glass	6,000	3
1	*2,000*	*Libbey-Owens-Ford*	*43,000*	*2*
		Insurance — Fire & Casualty, etc.		
2	1,000	Continental Casualty	None	None
1	500	Hartford Fire	5,000	1
1	3,000	Insurance Co. of No. America	1,000	1
1	500	Northern Insurance (N. Y.)	5,000	1(1)
1	500	U. S. Fidelity & Guaranty	[illegible],000	1(1)
None	*None*	*Continental Insurance*	*23,[illegible]82*	*2(2)*

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Insurance — Life, etc.		
1	1,700	Aetna Life	1,000	1
2	3,150	Connecticut General Life	2,100	2
1	2,300	Continental Assurance	500	1
2	500	Franklin Life	None	None
2(2)	11,500	Travelers Insurance	None	None
		Machinery, Machine Tools and Industrial Equipment		
3	23,200	Babcock & Wilcox	1,000	1
2	1,500	Black & Decker	None	None
3(1)	30,500	Caterpillar Tractor	4,000	1
3	5,400	Chicago Pneumatic Tool	None	None
1(1)	2,500	Dresser Industries	5,200	1(1)
2	900	Emhart Mfg.	1,000	1(1)
1	7,500	Gardner-Denver	15,000	1(1)
2	6,500	Gustin-Bacon	None	None
3	20,200	Ingersoll-Rand	7,500	1(1)
2	2,000	Singer Mfg.	None	None
1	3,400	United Shoe Machinery	1,600	1
None	*None*	*Allis-Chalmers Mfg.*	*10,000*	*2(1)*
		Metals and Mining—Aluminum		
7	35,500	Aluminium Ltd.	9,270	2
4(2)	5,800	Aluminum Co. of America	32,700	2(1)
1	6,000	Kaiser Aluminum & Chemical	4,205	1
8(3)	61,500	Reynolds Metals	337,020	6
1(1)	7,000	U. S. Foil "B"	5,100	1(1)
		Metals and Mining — Copper		
5	9,200	Kennecott Copper	None	None
3(2)	10,415	Magma Copper	None	None
4(2)	23,700	Phelps Dodge	4,000	1(1)
		Metals and Mining — Other		
4	45,000	American Metal Climax	None	None
3(1)	14,500	Brush Beryllium	1,600	1
1	2,000	Campbell Red Lake Mines	6,400	1
4(3)	16,300	International Nickel	63,000	3
1	1,000	St. Joseph Lead	3,000	1
1(1)	*5,000*	*American Smelting & Refining*	*7,500*	*4(1)*
1	*5,200*	*Dome Mines*	*3,200*	*2*
		Natural Gas		
2	3,000	Alberta Gas Trunkline	None	None
3	13,000	Arkansas Louisiana Gas	100	1
1	2,310	Lone Star Gas	1,500	1
2	1,400	Mississippi River Fuel	12,400	2(1)
3	7,800	Northern Natural Gas	27,900	2(1)
2	1,500	Panhandle Eastern Pipe Line	None	None
4	24,000	Peoples Gas Light & Coke	None	None
2	8,800	Republic Natural Gas	None	None
1	1,000	Texas Gas Transmission	100	1
2(1)	6,400	United Gas	21,000	2(1)
None	*None*	*American Natural Gas*	*11,000*	*2(1)*
1(1)	*6,000*	*El Paso Natural Gas*	*56,275*	*3(1)*
		Office Equipment		
2(1)	5,480	Addressograph-Multigraph	1,232	1
1	494	Friden	4,500	1
4(1)	7,000	National Cash Register	None	None
2(2)	283,000	Olivetti preferred (ADR)	None	None
1	15,800	Pitney-Bowes	2,500	1
1	*500*	*IBM*	*5,722*	*5*
		Oil		
3(1)	23,700	Amerada Petroleum	10.000	2
6(1)	36,700	Atlantic Refining	18,700	2
2(1)	8,900	Champlin Oil & Refining	13,000	1
3(2)	14,500	Cities Service	None	None
9(1)	76,600	Continental Oil	2,000	1
7	26,645	Gulf Oil	21,000	2(1)
4(1)	21,100	Louisiana Land & Exploration	11,800	2
3(1)	16,000	Ohio Oil	None	None
7	49,000	Phillips Petroleum	2,200	2
5(3)	52,400	Pure Oil	None	None
2(1)	3,500	Richfield Oil	None	None
10	91,392	Royal Dutch Petroleum	18,660	3
2(1)	6,500	Shamrock Oil & Gas	None	None
3	10,100	Shell Oil	12,700	3
4(1)	33,100	Sinclair Oil	23,700	3(3)
3(1)	12,000	Socony Mobil Oil	None	None
5(3)	86,000	Standard Oil of Calif.	35,460	4
4(2)	47,000	Standard Oil (Ind.)	59,000	2
10(1)	50,286	Standard Oil (N. J.)	57,476	7(4)
2(1)	8,000	Standard Oil (Ohio)	21,800	1(1)
3(1)	82,500	Sunray Mid-Continent Oil	None	None
6	5,978	Texaco	49,542	5(1)
2(2)	10,500	Texas Gulf Producing	5,400	1
3(1)	*8,300*	*Signal Oil & Gas "A"*	*24,632*	*4(2)*
1	*25,000*	*Skelly Oil*	*18,500*	*2(1)*
		Paper and Paper Products		
2(1)	57,000	Container Corp. of America	8,700	1
2	16,700	Kimberly-Clark	4,560	2
3	22,300	Scott Paper	None	None
None	*None*	*Champion Paper & Fibre*	*6,400*	*2(1)*
1	*11,000*	*Crown-Zellerbach*	*97,000*	*3(2)*
2(1)	*1,914*	*International Paper*	*65,137*	*5(2)*
1(1)	*6,000*	*St. Regis Paper*	*27,610*	*2(1)*
2	*1,000*	*Union Bag-Camp Paper*	*1,600*	*3*
		Public Utilities — Electric and Gas		
5(1)	7,273	American Electric Power	46,015	5
3	5,600	Baltimore Gas & Electric	None	None
1(1)	5,000	Central Illinois Light	2,000	1(1)
1	2,000	Central Maine Power	840	1(1)
3(1)	9,500	Central & South West	2,500	1
3	11,900	Columbus & So. Ohio Electric	4,000	1

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Fund Heads Mildly Bullish During Strong Stock Market

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the third quarter 1960 five sellers nearly offset its six buyers.

On the other hand, Philips' Lamp Works, long a chief attraction, ran into considerable profit-taking which, in fact, made it the most widely sold of any stocks during the latest period. For our comments, we refer to our discussion of the Electronics further below.

Among foreign stocks bought, the three leading German chemicals (Badische Anilin, Bayer and Hoechst) will be commented upon under the Chemicals below. Bought in single transactions during the quarter were the following: De Bijenkorf, the Dutch department store, by Axe 'A' and 'B' in initial purchases aggregating over $500,000; Borax (Holdings) Ltd., of which Lazard Fund newly bought 445,000 shares; Hoogovens, the Dutch steel company, of which Investment Co. of America bought an additional 7,000 shares; Jaguar Cars Ltd., in which the same fund made a new investment of 8,550 shares; Montecatini, with Chemical Fund a new buyer of 26,100 shares; Olivetti, the Italian office equipment maker, of which Wellington Fund newly bought 275,000 ADRs for the preferred, with Value Line Fund newly buying another 8,000; Photo Gevaert, the Belgian and world-wide maker of photographic papers, of which Madison Fund bought another 1,000 shares. St. Gobain, the French industrial giant, where Axe 'B' bought another 500 shares; Telefonos de Mexico, of which Value Line Income Fund bought an initial 14,900 ADRs.

The attitude toward Unilever N. V. was mixed, with Chemical Fund buying an additional 5,500 shares, while Investment Co. of America reduced its holdings by 12,200 shares.

Among foreign stocks sold were the following: de Beers Consolidated Mines, of which Knickerbocker Fund sold its entire 4,000 shares; Hoffman-La Roche, the high-priced Swiss drug stock of whose non-voting shares Dreyfus Fund sold 77; Imperial Chemical Industries, Britain's industrial leader, which had a large seller (50,000 shares) in Niagara Share; and finally Siemens & Halske, the German electrical giant, of whose ADRs de Vegh closed out its 5,000, while Wisconsin Fund reduced its interest by 500.

U. K. and German Internal Bonds Attract

The yield advantage of U. K. and German Government bonds continued to attract some of the funds. During the final quarter of 1960, Scudder, Stevens & Clark Fund increased its holdings of the British War Loan 3½s from £363,768 nominal amount to £600,000. Tri-Continental bought approximately $900,000 worth of the British Funding Loan 5½s 1982-84. On the other hand, the George Putnam Fund eliminated its £400,000 U. K. War Loan 3½s.

American European Securities bought approximately $400,000 of German internal bonds. Also, de Vega doubled its holdings of the German Federal Railway 6½s due 1972 to nearly $250,000 and newly bought German Federal Republic 6s due 1975, worth more than $700,000.

POPULARITY WINNERS

During the December quarter top honors as the best bought stock went to Continental Oil which was acquired by nine fund managements and sold by only 1. Runners-up were Polaroid (bought by 10 and sold by 3), Pepsi-Cola (bought by 8, sold by only 1), and Royal Dutch Petroleum (bought by 10 and sold by 3). In the preceding quarter, ATT had taken the crown as the best bought stock, with Phillips Petroleum, Martin and North American Aviation the runners-up at that time.

"UNANIMOUS" FAVORITES

The following 18 issues, bought by four or more fund managements, encountered no selling at all, all transactions being on the buying side:

American Potash & Chemical, Food Machinery & Chemical, Pennsalt Chemicals, Sterling Drug, First Charter Financial, Swift, Wilson, Kennecott Copper, American Metal Climax, Peoples Gas Light & Coke, National Cash Register, Pure Oil, Texas Utilities, Crowell-Collier, Ginn & Co., Stop & Shop, Woolworth and American-Marietta.

DIS-FAVORED STOCKS

As mentioned before, the stock encountering most widespread profit taking was Philips' Lamp Works (sold by 8 and bought by only 2). Minnesota Mining & Manufacturing was sold by 5 fund managements, while bought by none. Middle South Utilities was sold by 6 and bought by only 1. During the September quarter 1960, Merck was the most widely sold issue.

UNDISPUTED SELLING TARGET

During the latest quarter Minnesota Mining & Manufacturing, mentioned just above, was the only issue sold by 4 or more fund managements, without finding a buyer. (During the September quarter 1960, Merck and Montgomery Ward had also been in this category.)

ATTITUDE TOWARD INDUSTRY GROUPS

The following analysis of portfolio changes, reflected in our tabulation, starting on page 22, of transactions in 400 stock issues is based on the number of managements buying or selling, not on the number of shares or the dollar amounts involved.

During the December quarter, fund managements particularly favored aluminum, chemical, oil, publishing and retail stocks. Also fairly well bought, although to a more moderate degree, were aircraft, airline, automotive equipment, bank, beverage, container, finance, food, glass, insurance, machinery, natural gas, and office equipment stocks.

A thoroughly mixed attitude was displayed toward automobile, building, coal, drug, electronic, radio and TV, railroad, rubber, steel, textile, tobacco and utility stocks.

Agricultural equipment and paper stocks were more heavily sold than bought.

TRANSACTIONS IN THE FAVORED GROUPS

Aircrafts Soaring

The most popular stock in this group once more was Martin, bought by six managements and sold by only one. Largest buyer was Wellington again (20,000 shares), followed by United Science (9,000) and Madison (8,500); the only seller was Axe A (3,000). Runners-up were General Dynamics and United Aircraft, both with four buying and only one selling management. Largest buyer of Dynamics was Investment Trust of Boston (5,000 newly), its only seller, Blue Ridge (all 4,700). Of United Aircraft, Blue Ridge was a buyer (1,000) and Loomis-Sayles the only seller (all 10,000).

Airlines Moderately Sought

In this group United Air Lines was bought by five managements and sold by only one. The largest purchase was made by Dreyfus (33,000 newly), followed by Affiliated (14,900) and Equity Fund (6,100 newly), with Madison the only seller (5,517). In American Airlines and Eastern Air Lines, buyers balanced sellers.

Automotive Equipments Picked Up

In this cyclical category, moderate buying appeared in excess of selling. The most notable transactions were initial acquisitions of Champion Spark Plug by Wellington (125,400) and Fundamental Investors (93,000), de Vegh also making a first purchase of 8,000 shares.

Bank Stocks Remain In Demand

Bank stocks continued in moderate demand, but as in the third quarter of 1960, they failed once more to attract the widespread buying interest they had enjoyed previously. The reason for this lessening interest is ascribed to the continued easing of money rates, which possibly foreshadows lower bank earnings. Chase Manhattan Bank was bought by three and sold by only one management; the largest buyers were Wellington (20,000) and United Income (15,000), with Putnam Fund the only seller (all 25,000). Bankers Trust was also bought by Wellington (20,000), and by Lazard (15,000 newly). Chemical Bank New York Trust, too, found its largest buyer in Wellington (10,000), while First National Bank of Boston was bought by MIT (8,000) and Scudder Common (1,250). Morgan Guaranty Trust, on the other hand, was sold by United Income (15,000) and Dominick (all 2,000) with Investment Co. of America the only buyer (9,465 newly).

Beverages Sparkle

Although this was an off-season for soft drinks and beer, their stocks elicited good demand. Star performer was Pepsi-Cola, whose eight buyers were led by Affiliated (42,500), Putnam (21,000 newly), Fundamental (11,000) and American - European (5,000 newly); with Investment Co. of America the sole seller (45,000). Coca-Cola, which during the quarter absorbed Minute Maid through merger, had One William Street as its largest buyer (12,700 newly) and Knickerbocker as its only seller (all 3,000). Of Anheuser-Busch, Madison was the largest buyer (8,000), followed by Dreyfus (3,000) and Delaware (2,500 newly), without any seller. Steadily growing Canadian Breweries was also bought by Madison (20,000 newly) and by Dreyfus (7,000).

Chemicals a Standout

Star attraction in this strongly favored group was Monsanto which was bought by nine managements, with only three on the selling side. Heaviest buyer of Monsanto was MIT (41,882), followed by Niagara Share (9,792). Second best bought chemical was Stauffer Chemical, with seven buyers and only two sellers; largest buyers were Wellington (27,722) and United Accumulative (16,200), while the only two sellers were Madison (all 11,500) and Chemical Fund (10,914). American Potash & Chemical was bought by four and sold by none. There were only buyers and no sellers of two German chemical giants, Farber Bayer and Farbwerke Hoechst. Of the former, Chemical Fund, which had started buying foreign chemical stocks only around mid-1960, added 9,000 shares, joined therein by Dreyfus (6,000) and State Street (3,000 newly). Of Hoechst, Dreyfus also bought 10,000 ADRs newly, while Investment Co. of America made an initial purchase of 1,500. Of Food Machinery & Chemical, Shareholders' Trust of Boston was a new buyer of 10,000

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—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
3(1)	38,036	Commonwealth Edison	1,882	3
3(1)	10,400	Consolidated Edison (N. Y.)	None	None
2	6,000	Dayton Power & Light	4,700	1(1)
1	5,500	Duquesne Light	13,000	1
1(1)	10,000	El Paso Electric	13,000	1(1)
5(1)	20,300	Florida Power & Light	40,200	4
2(1)	6,000	Idaho Power	8,100	2(1)
2	2,700	Illinois Power	6,500	1
1	2,500	Iowa-Illinois Gas & Electric	2,000	1
2(1)	11,400	Iowa Power & Light	None	None
2	5,500	Kansas Power & Light	None	None
2(1)	12,300	Long Island Lighting	None	None
1	5,900	Montana Power	3,000	1
3	13,500	N. Y. State Gas & Electric	25,200	2(1)
2	5,500	Pacific Lighting	None	None
4(2)	35,200	Public Service Electric & Gas	34,000	2(2)
1	3,700	Public Service of Indiana	6,000	1(1)
1(1)	1,000	Public Service of New Mexico	3,500	1
6(1)	9,020	Southern California Edison	7,500	2(2)
5	44,900	Southern Co.	48,000	3(1)
4	6,500	Texas Utilities	None	None
1	2,000	Union Electric (Mo.)	8,200	1
1	3,700	*Central Illinois Public Service*	11,900	2(1)
1	4,000	*Central Louisiana Electric*	48,938	2
1	10,500	*Consumers Power*	13,463	5(2)
1	2,500	*Detroit Edison*	11,300	3(3)
1	500	*Gulf States Utilities*	15,750	2(2)
1	1,000	*Houston Lighting & Power*	8,100	2(1)
1	35,000	*Middle South Utilities*	70,500	6(2)
1	500	*Niagara Mohawk Power*	4,800	3(3)
1	7,900	*Pacific Gas & Electric*	26,700	2(2)
None	None	*Philadelphia Electric*	14,000	2(1)
None	None	*Potomac Electric*	33,000	2(1)
1	2,000	*Puget Sound Power & Light*	27,300	2(2)
None	None	*Rochester Gas & Electric*	42,934	3(1)
2	52,400	*South Carolina Electric & Gas*	39,000	3(1)
None	None	*Utah Power & Light*	45,100	3(1)
1	5,000	*Virginia Electric & Power*	23,000	2(1)
		Public Utilities — Telephone & Telegraph		
8(1)	26,000	American Tel. & Tel.	11,000	3(1)
1(1)	10,000	*General Telephone & Electronics*	84,000	2(1)
1(1)	13,600	*Western Union*	42,000	3(3)
		Publishing and Printing		
4(1)	11,760	Crowell-Collier	None	None
2	5,300	Donnelley (R. R.)	None	None
4(4)	79,720	Ginn & Co.	None	None
1(1)	5,000	Harcourt, Brace & World	5,315	1(1)
1	1,000	McGraw-Hill Publishing	1,000	1(1)
2(1)	8,500	Prentice-Hall	None	None
2(2)	40,000	Scott-Foresman	None	None
1	5,000	*Grolier, Inc.*	7,500	2(1)
		Radio, Television and Movies		
6(1)	42,132	American Broadcast-Paramount	400	1
2	6,000	Motorola	None	None
2(2)	28,000	Paramount Pictures	None	None
1	300	United Artists	20,900	1
2(1)	24,900	Zenith Radio	9,000	1(1)
2(1)	8,000	*Columbia Broadcasting*	31,520	5(1)
1	2,500	*Metro-Goldwyn-Mayer*	11,500	2(1)
		Railroads		
3(1)	18,000	Atchison, Topeka & Santa Fe	None	None
2	6,000	Atlantic Coast Line RR.	2,100	2(1)
1(1)	2,500	Norfolk & Western	1,530	1(1)
3	30,000	Seaboard Air Line	46,600	2(1)
2(1)	15,000	Southern Pacific	None	None
1	7,500	*Chesapeake & Ohio*	11,600	2(1)
1	500	*Great Northern*	16,000	3(1)
None	None	*Illinois Central*	44,000	2(1)
None	None	*N. Y., Chicago & St. Louis*	52,500	2
2(2)	10,000	*Southern Railway*	117,400	4(3)
None	None	*Western Pacific*	67,500	2(2)
		Railroad Equipment		
2	5,300	Gen. American Transportation	4,000	1
2(1)	3,800	North American Car	None	None
None	None	*Pullman*	18,000	3
		Retail Trade		
2	3,000	Aldens	None	None
1	1,800	Federated Department Stores	5,000	1
1	5,000	First National Stores	2,000	1
2	20,300	Grand Union	22,500	2
2	18,500	Grant (W. T.)	30,000	1
4	32,200	Great Atlantic & Pacific Tea	700	1
1(1)	9,000	Korvette (E. J.)	16,100	1
2	22,000	Safeway Stores	5,000	1
1	2,000	Sears, Roebuck	1,010	1(1)
2(2)	32,400	Spiegel	19,400	1
4(4)	179,000	Stop & Shop	None	None
2	9,500	Thrifty Drug Stores	None	None
1	1,000	Winn-Dixie Stores	18,000	1
6(2)	23,200	Woolworth (F. W.)	None	None
1(1)	3,300	*Associated Dry Goods*	12,500	3(1)
2	42,500	*Gimbel Bros.*	68,400	3(1)
None	None	*May Department Stores*	17,900	2
1	5,000	*Montgomery Ward*	84,800	2(2)
		Rubber and Tires		
2	1,300	General Tire and Rubber	3,000	1(1)
4	14,060	Goodyear	85,240	4(2)
1	10,000	U. S. Rubber	13,700	1(1)
2	780	*Firestone*	49,701	5
4(1)	12,600	*Goodrich (B. F.)*	119,100	6(3)
		Steel and Iron		
4	41,500	Armco Steel	12,000	3(2)
2	18,200	Cleveland-Cliffs Iron	None	None
2(2)	13,000	Jones & Laughlin	16,300	2(1)
5(1)	66,600	Republic Steel	1,000	1
1	57,300	*Bethlehem Steel*	29,300	5(2)
None	None	*Inland Steel*	10,000	2
4	32,000	*U. S. Steel*	46,900	5(1)
		Textile and Rayon		
2	3,000	American Viscose	13,000	2(1)
1	3,000	Burlington Industries	100	1(1)
1	15,000	Stevens (J. P.)	4,500	1(1)
2	8,000	United Merchants & Mfrs.	5,400	1
		Tobacco		
3(1)	11,500	Philip Morris	8,000	1
5	40,200	Reynolds Tobacco	9,600	5(1)
3	9,700	*American Tobacco*	19,400	4(1)
2(1)	57,200	*Lorillard (P.)*	48,700	3(1)
		Miscellaneous		
2(1)	6,200	American Chicle	None	None
2(1)	8,900	American Express	None	None
3(2)	76,500	American Machine & Foundry	3,500	1
4(1)	34,100	American-Marietta	None	None
2	39,500	American Photocopy Equipment	None	None
3(2)	8,000	Avon Products	1,000	1
2	5,900	Fairchild Camera & Instruments	None	None
2(2)	1,000	Geophysics of America	None	None
3(1)	37,500	Gillette	28,000	2
5(1)	43,500	Halliburton	59,300	3(2)
2(1)	3,400	Heli-Coil	None	None
2	4,000	Hertz	2,500	1
1	100	International Shoe	3,000	1(1)
1	2,000	Johnson & Johnson	7,100	1(1)
4(1)	22,200	Newmont Mining	10,600	2(2)
2	16,000	Newport News Shipbuilding	6,900	1
2(1)	29,000	Outboard Marine	10,000	1(1)
1(1)	1,000	Pall Corp.	30,000	1(1)
2(1)	14,800	Perkins-Elmer	None	None
10(2)	35,000	Polaroid	9,700	3(1)
1	2,800	Procter & Gamble	1,000	1
2	15,000	Remington Arms	None	None
3	6,200	Shulton "A"	None	None
3	6,100	Shulton "B"	None	None
2(1)	3,600	Tennessee Corp.	3,500	1(1)
1	5,500	Unilever N. V. (ADR)	12,200	1
3(2)	9,000	Universal Match	12,800	2
3(2)	6,700	Vendo	None	None
1(1)	16,000	Vitro Corp. of America	6,000	1(1)
1	700	*American Export Lines*	5,900	2
1(1)	2,000	*Colgate-Palmolive*	36,800	3(2)
2	10,000	*Haloid-Xerox*	21,500	3
1	500	*McKesson & Robbins*	13,900	2(1)
None	None	*Minnesota Mining & Mfg.*	56,900	5(3)
None	None	*Ranco*	2,800	2(2)
1	1,000	*Revlon*	2,500	2(1)
None	None	*Ryder System*	37,500	3(2)

The foregoing tabulation also includes transactions by four investment companies (under four different managements) in addition to those shown in our tabulation "Balance Between Cash and Investments of 86 Investment Companies."

Purchases and sales by Massachusetts Investors Growth Stock Fund and by Wellington Fund included above and in our article are for September through November 1960; those by Putnam Growth Fund for November-December 1960.

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shares, and there were three other funds on the buying side, with no seller. Likewise bought by four managements and sold by none was Pennsalt Chemicals which found its largest buyers in National Investors (17,500) and United Science (8,800 newly). Principal buyer of Dow Chemical was T. Rowe Price with 1,277 shares, whereas Chemical Fund reduced its holding by 6,900 shares and U. S. & Foreign by 1,616 shares. In DuPont, Commonwealth Investment was the largest buyer (1,000) and Investment Co. of America the largest seller (all 5,000), with American European and Chemical Fund each selling 1,500 shares.

Containers in Moderate Demand

In this group, American Can and Crown Cork & Seal were bought by three and two managements, respectively, while sold by none. Largest buyers of American Can were Affiliated (37,500) and National Securities Stock (25,000); largest buyer of Crown Cork was Affiliated (20,000). But the best bought stock in this group was Continental Can, with seven buyers and only two sellers; the principal buyer was the Fundamental-Diversified Investment Fund group (22,000), with State Street reducing its holding by 20,900.

Finance Companies Meet Fair Interest

Here C.I.T. Financial was bought by five managements (with Selected American leading with 5,000 shares) and sold by only one, namely Broad Street (all 5,200). First Charter Financial attracted four buyers (led by Putnam Growth with 30,000 newly) and sold by none. Principal sellers of Associates Investment were Lazard (all 12,500) and de Vegh (all 6,000). Of Commercial Credit, there was only selling, led by General Investors Trust (all 2,000).

Foods Palatable

In this group, with its reputation for stability and moderate growth, two of the leading meat packers were the best bought stocks; namely Swift and Wilson which were bought by six and five managements, respectively, without any seller. Largest buyer of Swift was Madison (15,000 newly); largest buyers of Wilson were Delaware (15,000 newly) and Eaton & Howard Stock (10,600), joined therein by Madison (5,000 newly) and others.

Glass in Slight Demand

Interest in this group was rather limited and fairly balanced between buyers and sellers, except for Libby-Owens-Ford which had only one buyer, while the larger one of the two sales came from Fundamental Investors (38,000).

Limited Interest in Insurance Stocks

Demand for both casualty and life stocks was not widespread during the latest quarter. Among those attracting two buying managements with no offsetting sale were Continental Casualty, Franklin Life and Travelers Insurance. Of the latter, the two buying fund managements were Adams Express-American International (3,500 newly) and Bullock (8,000 newly). The only sellers of Continental Insurance were Consolidated Investment Trust (17,082 all) and Institutional Foundation Fund (6,000 all).

Machinery Stocks in Moderate Demand

The three buyers of Babcock & Wilcox were led by Broad Street (20,000), and the likewise three buyers of Caterpillar Tractor by another member of Tri-Continental Group, namely Tri itself (20,000). Of Ingersoll-Rand, National Securities Stock led the three buying managements with 12,000 shares, while United Science was the only seller (all 7,500). As in the preceding quarter, Allis-Chalmers was only sold, namely by American European (all 7,000) and Energy Fund (3,000).

Aluminums Outshine Metals

The aluminum group was one of the best bought ones during the quarter, with Reynolds Metals and Aluminium Ltd. the star attractions. The eight buyers of Reynolds included the United Funds Group (30,000), de Vegh (6,000 newly), Dominick (9,000), One William (5,500) and Lazard (4,500). But there were also some very heavy sales, notably by Incorporated Investors (297,400), Adams Express-American International (16,900), U. S. & Foreign (7,500) and Massachusetts Investors Growth (7,470). Of the seven buyers of Aluminium Ltd., United Accumulative was the largest with 10,000 shares, while Alcoa's largest buyer was Commonwealth Investment (2,000), with Wellington, on the other hand, selling its entire 30,500 shares.

Natural Gas Meets Fair Interest

In this group, Peoples Gas, Light & Coke was bought by four managements, led by Fundamental with 18,000 shares, and disposed of by none. On the selling side, El Paso Natural Gas found its holdings reduced by the Eaton & Howard Group to the extent of 35,775 shares, joined by United Income (15,700) and Investment Trust of Boston (all 4,800), with General Investors Trust the only buyer (6,000 newly).

Interest in Office Equipment Excludes IBM

In this dynamic group, IBM, long among the top favorites, this time encountered considerable profit taking. Holdings of IBM were reduced, but characteristically in no case eliminated, by five managements, especially by Adams Express-American International (3,494) and Lazard (1,000); only Wellington added—by 500 shares—to its holdings. On the buying side, National Cash Register stood out with four buyers and no sellers; the largest buyers being Wellington (3,000) and Investment Co. of America (2,200 newly). Wellington likewise was a prominent buyer of a foreign stock in this group, namely Italy's Olivetti, with an initial purchase of 275,000 ADRs of its preferred; the Value Line Fund was the other new buyer of this issue (8,000).

Oils in Strong Demand

The long depressed oils which during the third quarter 1960 had begun to show renewed slight price gains but were then still viewed ambivalently by the funds, perked up noticeably during the fourth quarter. This was true both in terms of market action and of fund interest.

In fact, Continental Oil was not only the best bought oil stock during the latest quarter, but also the best bought of any stocks. Its nine buyers were led by Wellington with an initial purchase of 42,400 shares, followed by Broad Street (14,600) and Madison (10,000); its only seller was specialized Petroleum Corp. of America which reduced its holdings by only 2,000 shares. Runner-up in this group was long neglected Royal Dutch, with 10 buyers and only three sellers. Its largest buyers were MIT (35,500) and One William (32,368), with the few sellers including Fundamental Investors (10,000) and State Street (8,500). Competing for third rank were Gulf Oil and Phillips Petroleum, each with seven buyers and two sellers. Largest buyer of Gulf was Wellington (19,369), with Broad Street leading the few sellers with a close-out of 15,000 shares. Phillips, on the other hand, had Broad Street as its leading buyer (29,000), followed by Fundamental Investors (12,000). Also well bought was Atlantic Refining, with Delaware the largest purchaser (20,000 newly), although Affiliated Fund reduced its interest in this stock by 18,400 shares. Pure Oil had five buyers (including Shareholder's Trust of Boston and Selected American with new commitments of 15,000 shares each, and Affiliated with 14,900) with no offsetting sale. Standard Oil (N. J.), for some time sold on balance by the funds, once more moved over to the "bought" side, although by no means unequivocally, there being 10 buying but also seven selling fund managements. Largest buyers of Jersey were National Securities Stock and National Securities Income (32,000), T. Rowe Price (5,200) and Nation-Wide Securities (5,000); largest sellers Lehman (all 20,000) and Loomis-Sayles (all 10,000).

Group Securities Common Stock Fund (which is about to gain greatly in size through its merger of several sister funds) continued having one of the most positive attitudes toward oil stocks. During the latest quarter it added to all its six oil stocks and furthermore newly acquired 10,000 shares of Standard Oil of California. Incidentally this fund also added importantly to the utilities in its portfolio.

Publishing Stocks Enjoy Continued Interest

This group, which had begun to attract fund interest only during the third quarter 1960 following a spate of new and secondary offerings, maintained this interest during the concluding quarter of the year. Best bought stocks in this category were both an old and a new name. The former was Crowell-Collier, bought by four managements and sold by none; the latter, Ginn & Co., likewise bought by four managements, all of course initially, and sold by none. Purchases in this stock were particularly large, especially on the part of Massachusetts Investors Growth Stock (39,925), State Street (25,000) and Loomis-Sayles (13,295). In addition to the stocks with multiple transactions shown in our tabulation, there were also single purchases in such stocks as Allyn & Bacon, Holt-Rinehart, Macmillan, and Random House. The stocks in this group, incidentally, are characterized by high price-earnings ratios, but have apparently attracted interest by their good growth records, their newness to the market, their stable backlog of school coverage and future demand potentials inherent in the "population explosion."

Retail Stocks in Good Demand

In this defensive group, Woolworth took the laurels as the best bought issue. Without any selling dissent, its six buyers were led by Fundamental Investors (7,000) and Dreyfus (6,000). Although not a conspicuous stock in the market, Stop & Shop was newly bought by four funds, namely Affiliated (100,000), Massachusetts Investors Growth (50,000), United Accumulative (19,000) and Eaton & Howard Stock (10,000). On the other hand, profit-squeezed Montgomery Ward remained in the "sold" column, with Incorporated Investors closing out its 64,800 shares and National Securities Stock its 20,000; Lazard was the

Continued on page 27

Balance Between Cash and Investments of 86 Investment Companies (With Aggregate Net Assets of $13.3 Billion) 12-31-60 vs. 9-30-60

Security Transactions by the 86 Investment Companies During October-December, 1960

	Net Cash & Governments† Thousands of Dollars End of— Sept.	Net Cash & Governments† Thousands of Dollars End of— Dec.	Net Cash & Governments† Percent of Net Assets End of— Sept.	Net Cash & Governments† Percent of Net Assets End of— Dec.	Investment Bonds and Preferred Stocks* Percent of Net Assets End of— Sept.	Investment Bonds and Preferred Stocks* Percent of Net Assets End of— Dec.	Com. Stocks and Lower Grade Bonds & Pfds. Percent of Net Assets End of— Sept.	Com. Stocks and Lower Grade Bonds & Pfds. Percent of Net Assets End of— Dec.	(In Thousands of Dollars) Portfolio Securities Other than Governments Total Purchases††	Portfolio Securities Other than Governments Total Sales**	Of This: Portfolio Common Stocks Total Purchases††	Of This: Portfolio Common Stocks Total Sales**
Open-End Balanced Funds:												
American Business Shares	4,155	4,137	16.6	16.1	31.3	29.3	52.1	54.6	802	1,343	118	342
Axe-Houghton Fund A	6,878	5,458	15.3	11.7	28.8	27.5	55.9	60.8	4,498	3,245	3,312	2,987
Axe-Houghton Fund B	2,293	7,364	1.7	4.9	25.5	24.3	72.8	70.8	5,253	1,679	2,960	1,647
Axe-Houghton Stock Fund	304	73	4.2	1.0	22.3	¶25.8	73.5	‡73.2	1,121	992	1,071	932
Axe Science & Electronics	b5,355	4,099	b29.2	21.1	b13.9	¶9.2	b56.9	‡69.7	2,399	903	2,192	903
Boston Fund	5,347	4,228	2.3	1.7	¶43.0	¶42.1	‡54.7	‡56.2	6,530	999	816	999
Broad Street Investing	1,993	2,232	1.0	1.1	11.9	11.9	87.1	87.0	10,515	11,793	8,106	9,886
Commonwealth Investment	17,439	13,742	12.0	9.0	27.4	29.7	60.6	61.3	8,535	6,260	1,371	2,044
Diversified Investment Fund	3,170	1,823	3.4	1.9	31.7	30.8	64.9	67.3	1,685	883	1,316	843
Dodge & Cox Fund	275	272	3.9	3.7	26.3	25.3	69.7	71.0	407	446	230	254
Eaton & Howard Balanced Fund	28,649	27,721	14.9	13.8	21.3	20.7	63.8	65.5	5,003	4,814	994	2,500
General Investors Trust	2,132	2,095	17.7	16.0	25.0	23.5	57.3	60.5	1,448	687	1,349	637
Group Securities—Fully Admin. Fund	554	505	5.2	4.5	23.8	21.9	71.0	73.6	224	194	224	188
Institutional Foundation Fund	1,545	1,552	4.5	4.1	16.6	18.2	78.8	77.6	3,370	1,943	1,640	1,336
Investors Mutual	25,296	N.A.	1.7	N.A.	¶36.9	N.A.	‡61.4	N.A.	N.A.	N.A.	N.A.	N.A.
Johnston Mutual Fund	1,805	1,962	12.3	11.8	11.6	9.1	76.1	79.1	1,279	567	993	170
Knickerbocker Fund	307	284	2.6	2.3	4.5	5.3	92.9	92.4	719	939	588	834
Loomis-Sayles Mutual Fund	16,441	9,743	21.2	12.0	13.9	18.1	64.9	69.9	6,902	2,066	4,547	1,671
Massachusetts Life Fund	597	5,434	1.7	8.5	N.A.	¶32.4	‡N.A.	59.1	1,968	389	1,262	282
Mutual Investment Fund	1,814	N.A.	6.1	N.A.	13.6	N.A.	80.3	N.A.	N.A.	N.A.	N.A.	N.A.
National Securities—Income	1,591	1,207	2.2	1.6	15.0	15.0	82.8	83.4	2,825	1,852	2,233	1,649
Nation-Wide Securities	1,586	3,274	4.7	9.0	33.3	28.5	62.0	62.4	1,190	2,531	510	1,032
New England Fund	4,248	3,440	25.0	19.7	18.3	19.2	56.7	61.1	856	287	442	237
Putnam (George) Fund	8,305	9,995	4.0	4.5	23.6	21.9	72.4	73.6	6,917	11,078	4,796	7,357
Scudder, Stevens & Clark Fund	5,537	4,191	7.4	5.4	28.7	26.8	63.9	67.8	4,495	4,597	1,865	1,191
Shareholders' Trust of Boston	7,954	2,853	18.3	6.2	32.0	36.3	49.7	57.6	6,548	5,117	3,287	6
Stein Roe & Farnham Balanced Fund	6,302	7,330	13.6	14.5	26.9	23.9	59.5	61.6	3,648	1,372	1,575	814
Value Line Fund	512	649	6.4	7.8	1.2	3.5	92.4	88.7	827	762	624	762
Value Line Income Fund	1,528	5,417	1.9	6.8	3.0	2.8	95.1	90.4	1,288	5,900	979	5,896
Wellington Fund	145,931	120,183	13.8	10.6	c27.3	26.5	c58.6	62.9	70,670	28,178	60,518	22,621
Whitehall Fund	152	137	1.3	1.2	47.4	47.2	51.3	51.6	435	592	236	356
Sub-Total Open-End Bal. Funds	310,395	251,400	8.8	8.0	22.2	22.6	69.0	69.3	162,357	102,405	110,154	70,491
Open-End Stock Funds:												
Aberdeen Fund	223	330	1.4	1.9	None	None	98.6	98.1	871	592	871	592
Affiliated Fund	84,407	71,615	14.6	11.3	0.3	0.3	85.1	88.4	20,512	5,213	20,512	5,006
Blue Ridge Mutual Fund	3,148	4,084	10.0	12.1	None	None	90.0	87.9	1,465	2,257	1,465	2,257
Bullock Fund	8,307	7,294	15.3	12.5	None	None	84.7	87.5	2,339	704	2,339	704
Chemical Fund	3,753	5,449	1.5	2.0	2.2	1.0	96.3	97.0	13,257	15,666	N A.	N.A.
Delaware Fund	8,253	9,464	9.0	9.4	4.5	4.8	86.5	85.8	8,122	8,000	7,872	8,000
de Vegh Mutual Fund	960	23	5.2	0.1	0.6	6.0	94.2	93.9	4,608	3,607	3,274	3,362
Dividend Shares	27,106	24,992	10.5	9.0	None	None	89.5	91.0	5,401	6,170	5,401	6,170
Dreyfus Fund	22,699	29,019	15.6	17.0	None	None	84.4	83.0	12,980	4,392	12,980	4,392
Eaton & Howard Stock Fund	16,550	16,891	10.8	10.1	None	None	89.2	89.9	2,950	2,669	2,950	2,669
Energy Fund	144	152	1.2	1.0	0.3	None	98.5	99.0	2,793	955	2,741	930
Fidelity Fund	52,887	N.A.	14.5	N.A.	5.8	N.A.	79.6	N.A.	N.A.	N.A.	N.A.	N.A.
Fundamental Investors	12,805	11,500	2.3	1.9	0.1	0.1	97.6	98.0	16,311	11,343	15,967	10,999
General Capital Corp.	60	88	0.3	0.4	None	None	99.7	99.6	335	395	335	395
Group Securities— Com. Stock Fund	911	896	1.3	1.2	None	None	98.7	98.8	4,909	3,573	4,909	3,573
Guardian Mutual Fund	3,103	2,568	32.9	24.1	1.3	2.3	65.8	73.6	2,278	1,247	2,158	1,178
Incorporated Investors	30,767	41,170	11.0	13.7	0.9	3.8	88.1	82.4	15,244	34,163	1,373	20,241
Institutional Investors Mutual Fund§§	3,261	2,728	6.7	4.8	None	None	93.3	95.2	3,618	206	3,618	206
Investment Co. of America	30,151	46,569	17.6	24.6	0.8	0.9	81.6	74.5	5,869	18,112	5,869	17,588
Investment Trust of Boston	----	----	----	----	§3.1	§2.5	§95.3	§95.2	2,465	2,381	2,465	1,814
Lazard Fund	13,212	9,743	11.0	7.8	None	None	89.0	92.2	N.A.	N.A.	N.A.	N.A.
Massachusetts Investors Trust	27,192	6,063	1.9	0.4	None	None	98.1	99.6	19,962	18,089	19,962	18,089
Massachusetts Investors Growth Stock	16,485	17,028	4.6	4.2	None	None	95.4	95.8	12,492	6,971	12,492	6,971
National Investors	1,939	5,196	1.2	2.8	1.3	1.1	97.5	96.1	6,837	1,960	6,837	1,960
National Securities—Stock	3,494	3,119	2.0	1.7	None	None	98.0	98.3	11,146	8,715	11,146	8,715
One William Street	11,981	12,626	4.8	4.7	0.4	None	94.8	95.3	a8,494	a13,789	8,494	‡‡12,860
Pine Street Fund	1,777	1,432	10.6	7.9	3.3	3.7	86.1	88.3	893	580	893	580
Price (T. Rowe) Growth Stock	4,637	5,136	13.3	12.9	0.6	0.5	86.1	86.6	2,886	1,374	2,886	1,274
Scudder, Stevens & Clark—Com. Stk.	1,460	1,317	4.3	3.5	None	None	95.7	96.5	2,084	858	2,084	858
Selected American Shares	8,720	7,886	9.3	7.6	1.9	1.3	88.8	91.1	a9,204	a7,864	9,204	7,473
Sovereign Investors	52	57	1.4	0.5	3.2	4.0	95.4	95.5	258	208	254	208
State Street Investment	16,930	17,061	9.0	8.6	0.9	N.A.	90.1	N.A.	18,939	31,696	18,939	‡‡31,430
Stein Roe & Farnham Stock Fund	494	1,319	3.6	8.3	1.0	None	95.4	91.7	452	3	53	3
Texas Fund	910	602	2.6	1.6	0.8	0.3	96.6	98.1	288	143	288	90
United Accumulative Fund	24,615	31,586	6.8	7.6	6.0	4.7	87.2	87.7	13,267	3,774	12,127	3,455
United Continental Fund	2,308	2,103	5.7	4.8	1.4	1.4	92.9	93.8	729	128	729	128
United Income Fund	13,413	12,060	5.6	4.6	3.2	1.5	91.2	93.9	9,377	9,505	8,809	6,042
United Science Fund	4,406	8,880	3.3	6.1	1.1	1.0	95.6	92.9	7,023	4,127	7,023	4,127
Value Line Special Situations	425	528	3.8	4.4	None	None	96.2	95.6	1,359	1,202	1,207	1,202
Wall Street Investing	300	146	3.1	1.3	14.0	15.4	82.9	83.3	356	90	4	38
Wisconsin Fund	1,699	2,046	10.8	12.0	1.6	1.5	87.6	86.5	321	736	321	736
Sub-Total Open-End Stock Funds	465,944	420,766	7.4	6.8	1.5	1.5	91.0	91.7	252,694	233,457	220,851	196,315
Total Open-End Funds	776,339	672,166	8.0	7.3	10.5	10.5	81.4	82.2	415,051	335,862	331,005	266,806
Closed-End Companies:												
Adams Express	4,004	3,253	4.6	3.5	0.8	0.8	94.6	95.7	835	2,405	835	2,405
American European Securities	3,680	2,670	20.9	13.5	None	2.0	79.1	84.5	2,619	1,906	2,218	1,906
American International	2,265	2,997	6.1	7.5	1.3	1.3	92.6	91.2	480	1,590	480	1,590
Carriers & General	1,808	1,549	10.1	8.1	0.5	None	89.4	91.9	328	643	328	544
Consolidated Investment Trust	4,106	4,016	6.6	6.0	None	None	93.4	94.0	1,244	1,295	1,244	1,295
Dominick Fund	3,221	667	9.0	1.7	3.4	3.9	87.6	94.4	3,543	2,252	3,494	2,250
General American Investors	5,155	4,357	10.2	7.9	1.9	1.6	87.9	90.5	a748	2,421	658	2,421
General Public Service	6,772	5,129	14.1	10.0	0.1	0.2	85.8	89.8	a802	a282	802	‡‡279
Lehman Corp.	13,372	6,808	4.7	2.3	0.1	0.1	95.2	97.6	4,065	10,731	4,065	10,619
Madison Fund	8,333	20,871	6.2	14.4	7.0	4.2	86.8	81.4	34,707	35,330	13,596	24,023
Niagara Share	4,489	3,910	7.7	6.4	3.4	3.3	88.9	90.3	1,201	1,319	1,201	1,319
Overseas Securities	----	----	----	----	§15.9	§16.3	§67.6	§70.4	205	145	‡‡140	145
Tri-Continental	5,066	5,821	1.3	1.4	11.7	10.5	87.0	88.1	9,693	11,376	8,176	8,643
U. S. & Foreign Securities	12,238	11,458	12.5	11.0	None	None	87.5	89.0	None	1,629	None	1,629
Total Closed-End Companies	74,509	73,506	8.1	6.7	3.3	3.2	87.4	89.2	60,470	73,324	37,237	59,068
Grand Total	850,848	745,672	8.1	7.2	9.4	9.4	82.5	83.4	475,521	409,186	368,242	325,874

†Including corporate short-term notes where so included by reporting investment company; also other assets. *Investment bonds and preferred stocks: Moody's Aaa through Ba for bonds; Standard & Poor's AAA through BBB for preferreds (or approximate equivalent). ¶Bonds and preferreds irrespective of quality classification. ‡Common stocks only. §In percent of gross assets or total securities. ††Cost of purchases. **Proceeds from sales. ‡‡Estimated. §§Owned by 82 savings banks, etc. in New York State. a Exclusive of corporate short-term notes. b After merger of Missiles-Jets & Automation Fund. c As of Sept. 1, 1960.

—SUMMARY—

CHANGES IN CASH POSITION OF 84 INVESTMENT COMPANIES
DEC. 31, 1960 vs. SEPT. 30, 1960

	Plus	Minus	Approx. Unchanged	Total
OPEN-END COMPANIES: Balanced Funds	7	19	4	30
Stock Funds	13	22	5	40
CLOSED-END COMPANIES	2	10	2	14
Totals	22	51	11	84

AVERAGE ALLOCATION BY 82 COMPANIES OF ASSETS TO CASH AND EQUIVALENT, DEFENSIVE SECURITIES, AND RISK SECURITIES

	Sept. 30, 1960	Dec. 31, 1960
Net cash, etc. and Governments	8.1%	7.2%
Defensive securities (investment bonds and preferreds)	9.4	9.4
Risk securities (common stocks plus lower grade bonds and pfds.)	82.5	83.4
Totals	100.0%	100.0%

Fund Heads Mildly Bullish During Strong Stock Market

Continued from page 25

only buyer of this issue, with 5,000 shares.

DISFAVORED GROUPS

Agricultural Equipments Sold on Balance

In this cyclical group, which usually fails to meet unanimous response from the funds, selling this time overbalanced buying. Deere was sold by six managements (including National Securities Stock with 22,300 shares, Investment Co. of America with all its 20,000 shares, the Bullock Group with 7,900 shares, and Blue Ridge with all its 5,200 shares), but bought by three funds (including Wellington with 18,400 shares, Dreyfus with 8,200 shares and Madison with 5,000). The four sellers of International Harvester were led by One William (25,000), while only the Scudder Fund and National Securities Stock bought 5,000 shares each.

Papers Shed

In particular disfavor were International Paper, Crown-Zellerbach, and Champion Paper. Of International, the heaviest seller was Wellington which eliminated all its 23,300 shares (pre-split), while Chemical Fund closed out its 24,900 shares, and Lehman sold 14,777 shares, with Guardian Mutual the larger of two buyers (1,800 newly). Largest seller of Crown-Zellerbach was MIT (all 89,000), with Fundamental the only buyer (11,000). Champion Paper attracted no buyers, and the larger of its two sellers was Affiliated (all 5,000).

GROUPS MEETING MIXED REACTION

Automotives Meet Split Attitude

Both Ford and General Motors were sold by six managements, with Ford attracting only two and General Motors four buyers. Principal sellers of Ford were Wellington (26,200), Investment Co. of America (all 25,000) and the United Funds Group (24,000); the two buyers were MIT with 39,200 and Loomis-Sayles with an initial 10,000 shares. Of GM by far the largest seller was Madison (all 50,000), followed by United Science (all 25,000); largest buyer of GM was Wellington (19,000). Troubled Chrysler found buyers in the Affiliated Fund-American Business Shares Group (61,500) and Axe 'B' (4,000 newly).

Building Stocks Mixed

While the number of fund managements buying building stocks outnumbered those selling them, there was an important admixture of stocks sold in this group. Among those bought on balance, Diamond National and Georgia-Pacific as well as Johns-Manville and little-known Jim Walter stand out, each of these with three buying managements and no sellers at all. A particularly large purchase occurred in Diamond National, of which Affiliated Fund bought 60,000 shares newly. Another conspicuous purchase was Madison's initial acquisition of 20,005 shares of Georgia-Pacific. But, as in the preceding quarter, American Standard remained heavily sold; there were three close-outs, namely 50,000 shares each by Madison and Investment Co. of America and 53,000 by Wellington. Lone Star Cement had its largest seller in MIT (all 79,000), which also sold 9,000 shares of U. S. Gypsum, the same amount being sold by Wellington in a close-out; an even larger seller of U. S. Gypsum was the Scudder Group (all 10,000).

Coal Stocks Mixed With Important Selling

Peabody Coal had three buyers, notably National Investors (33,900) and Putnam (30,000), without any seller. However, the opposite is true of Consolidation Coal which, in the absence of any buying interest, was eliminated by General American Investors (40,000) and United Science (9,000) and also sold by Dividend Shares in the Bullock Group (4,300).

See-Saw in Drugs

Typifying the funds' as well as the market's doubts about the price-earnings ratios of these reputed growth stocks, the drugs were thoroughly mixed. On the buying side, Sterling Drug attracted four managements (including MIT with 27,500), without encountering any selling. Among those sold on balance were once more Merck and Parke Davis, both sold by five managements, with only two buying Merck and three Parke Davis. Merck had its largest sellers in Affiliated (all 20,000) and Dreyfus (9,300); Parke Davis was disposed of by One William (all 60,000), Affiliated (all 29,800), MIT (25,000) and Dreyfus (all 10,000), with United Accumulative the larger (5,000) of the three buyers.

Electronics Still Meet Ambiguous Reaction

The somewhat disillusioned attitude encountered by the electrical equipments and electronics during the third quarter 1960 carried over into the final quarter. General Electric, sold rather heavily on balance during the preceding period, returned to relative favor. But this return was a hesitant one. There were four buying managements, contrasting with three selling ones. The largest buyer of GE was Dividend Shares (10,400), while Broad Street in the Tri Group eliminated its 16,600 shares and Madison Fund its 15,200 shares, with One William reducing its holdings by 19,900 shares. The attitude toward ITT remained split, although seven buying managements outnumbered four selling ones. The largest purchase is represented by a new commitment of 77,000 shares on the part of two funds in the United Funds Group; sellers of ITT were led by Investment Co. of America (20,000). Among those sold on balance was again Westinghouse, whose five sellers included the Tri Group (84,300) and the Lehman-One William Group (27,000): while on the buying side were the Bullock Group (26,200) and MIT (8,600). Most remarkable was the almost complete turn-about in the funds' attitude towards Philips' Lamp Works, so long a star attraction. This time two buyers contrasted with eight sellers, the latter including the Axe Group with 7,255 of the 50-guilder shares and Madison with 7,025 shares as well as Dreyfus with 7,000 shares. Largest buyer of Philips was the Scudder Group with 3,500 shares. Significantly, none of the sales of Philips represented a close-out, and most was undoubtedly in the nature of profit-taking; Philips' splendid earnings growth has continued, although at a reduced rate. Siemens & Halske, the German electrical giant, was closed out by de Vegh (5,000) and sold by Wisconsin Fund (500). Minneapolis-Honeywell remained sold on balance (with Fundamental Investors closing out its 13,000 shares). RCA likewise remained in comparative disfavor, with Madison leading the sellers (all 22,000) and Lazard the fewer buyers (with 7,140). Among those only sold was Philco, of which Wellington sold 9,400 shares and Delaware Fund 8,300.

Split Attitude Toward Radio-TV-Movies

There was good-size demand for ABC-Paramount, with six buyers and only one seller. The buyers were led by Wellington (30,280 newly), Selected American (6,780), Lehman (3,162) and Delaware (1,320). Columbia Broadcasting this time found more sellers than buyers, with Selected American the largest seller in a 24,720-share close-out.

Divergent Opinions On the Rails

With the railroad industry honeycombed with mergers and merger proposals, it is hardly surprising that the funds' attitude was thoroughly mixed. Five of the roads here under review were more bought than sold or found an even number of buyers and sellers, whereas six others encountered more selling than buying. Among the latter, particularly large transactions, almost entirely on the selling side, took place in Illinois Central (Lazard closing out its 10,000 shares, MIT selling 34,000), Nickel Plate (Value Line Income Fund selling 33,600 and National Securities Stock 18,900), Southern Railway (Wellington selling all its 65,000 shares, Putnam Fund all its 18,000, Scudder Fund all its 12,000 and MIT disposing of 22,400, while Shareholders' Trust of Boston and Institutional Foundation Fund initially bought 5,000 shares each), and in Western Pacific (of which Scudder Fund eliminated its 31,500 shares and Group Securities Common its 36,000 shares). On the other hand, the Atchison had three buyers and no sellers; Southern Pacific two buyers, without a seller.

Disagreement on Rubbers And Tires

Whereas this industry during the September quarter 1960 wound up almost entirely in the "sold" column, the funds' attitude was more mixed during the latest period. In Goodyear purchasers balanced sellers (with the United Funds Group buying 13,500 shares, Lazard eliminating its 45,000 shares, Incorporated Investors selling 18,540 shares and Fundamental Investors 16,000 shares). Heavy selling appeared in Firestone (including 37,598 shares by Incorporated Investors) and in Goodrich (of which Wellington eliminated its 35,000 shares, while Lehman-One William Street sold 43,500 and MIT 19,000).

Split Attitude Toward Steels

The only better-bought issue in this key group was Republic Steel, with five buyers and only one seller; largest buyers were Wellington with 46,500 and National Securities Stock with 15,000. On the other hand, Bethlehem Steel was sold by five and bought by only one; the largest seller was State Street (all 19,000), the only buyer National Securities Stock (57,300 shares). Opinion on U. S. Steel was more tilted toward a balance, although the five selling managements outnumbered the four buying ones; the largest sellers were Selected American (25,000) and State Street (14,000), the largest buyer was Wellington with 22,000 shares.

Less Bearishness On the Textiles

While in the September quarter 1960 the textile and rayon stocks were clearly in disfavor, opinion on them was more balanced during the December quarter. A relatively large purchase occurred in J. P. Stevens, coming from

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Fund Heads Mildly Bullish During Strong Stock Market

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National Securities Stock (15,000), although Eaton & Howard Balanced eliminated its 4,500 shares.

Cigarettes Blown Hot and Cool

Philip Morris had three buyers (including Delaware with 6,000, Dreyfus with 3,500 and General Investors Trust with 2,000 newly) and only one seller (National Securities Income with 8,000 shares). In Reynolds, buyers balanced sellers; in American Tobacco and Lorillard, sellers had an edge over buyers.

Continued Buying of Utilities, Interspersed With Selling

Best bought utility stock was Southern California Edison which was purchased by six managements and sold by only two; the buyers were led by Group Securities Common (6,000), the few sellers by Madison (all 5,000). Consolidated Edison found three buyers (led again by Group Securities Common with 7,100 shares) without any seller. Texas Utilities was bought by four and sold by none, with Investment Trust of Boston the largest buyer (2,500).

Most disfavored utility was Middle South Utilities, with six sellers and only one buyer; Madison was the largest seller (all 40,000), Massachusetts Investors Growth Stock the only buyer (35,000). Consumers Power was sold by 5 (including 8,900 by the Bullock Group) and bought by only one, namely Group Securities Common (10,500). Utilities sold by 3 managements while bought by none included Rochester Gas & Electric (where the Bullock Group sold 38,100 shares) and Utah Power & Light (with United Income Fund the largest seller in a close-out of 40,000 shares).

ATTITUDE TOWARDS MISCELLANEOUS ISSUES

Polaroid, which in the September quarter of 1960 had been bought by 5 managements and sold by only 1, this time attracted 10 buyers while there were 3 sellers. Its largest buyers were MIT (15,000 newly) and its "not so little" sister, Massachusetts Investors Growth, with 3,000 shares, with Dreyfus, an "old hand" at this stock, buying an additional 6,000 shares. The few sellers were led by State Street (4,700) and Investment Co. of America (all 4,000).

As pointed out before, Minnesota Mining & Manufacturing once again was sold by 5 managements, while bought by none; with Wellington the largest seller in a 45,000-share close-out.

In single transactions (other than of foreign stocks which were commented upon above), Blue Ridge bought an additional 6,000 shares of American Motors; United Income Fund added 26,200 shares of Bank of America and 10,000 shares of Hanover Bank (soon to be merged with Manufacturers Trust); Chemical Fund sold 703 shares of high-priced Rohm & Haas; Incorporated Investors completely eliminated its 100,000 shares of Island Creek Coal; Chemical Fund closed out its 15,000 shares of Eli Lilly "B"; Investment Co. fo America bought 13,300 shares of Union Oil of California; Loomis-Sayles made an initial purchase of Universal Oil Products (20,000); Broad Street sold all its 10,000 shares of Mead Corp. and all its 27,000 shares of St. Lawrence Corp.; Delaware Fund sold 4,200 shares of Eastern Stainless Steel; Selected American newly bought 5,000 shares of Youngstown Sheet & Tube; Overseas Securities initially went into embattled Alleghany Corp.; Madison Fund added 8,000 shares to its interest in American International Bowling; Investment Co. of America reduced its interest in Brunswick Corp. by 10,000 shares; George Putnam Fund newly bought 26,000 shares of well-growing Dun & Bradstreet; American European Securities made a first purchase (4,000) in Green Shoe whose stock was listed on the Big Board after the close of the year; Broad Street let go of its 8,000 shares of Time Inc.; and Affiliated Fund disposed of its entire 14,700 shares of profit-squeezed United Fruit.

Complete NASD Comm. Elections

Elections have been completed for new members of the 13 National Association of Securities Dealers district committees. A total of 43 were elected, each to serve a three-year term starting in April. Those elected, by districts:

No. 1 (Alaska, Idaho, Montana, North Dakota, Oregon, South Dakota and Washington), Colin A. Campbell, Vice-President, Southwick, Campbell, Waterman & Co., Seattle; Robert H. Atkinson, partner, Atkinson & Co., Portland, Ore.; and David A. Davidson, of Davidson & Co., Great Falls, Mont.

No. 2 (California, Nevada and Hawaii) Richard W. Abrahamson of Weeden & Co., and Frank Bowyer of Schwabacher & Co., both of San Francisco and A. B. Fox of Stern, Frank, Meyer & Fox, and William R. MacCormack of Evans, MacCormack & Co., both of Los Angeles.

No. 3 (Arizona, Colorado, New Mexico, Utah and Wyoming) J. Arthur Pett, resident manager, Dempsey-Tegeler & Co., Salt Lake City; Charles E. Crary of E. F. Hutton & Co., Tucson, Ariz.; and Malcolm F. Roberts, Vice-President, Garrett-Bromfield & Co., and Leon A. Lascor of J. K. Investment Co., both of Denver.

No. 4 (Kansas, Missouri, Nebraska and Oklahoma) George Kenneth Baum, President, George K. Baum & Co., Kansas City, Mo.; Walter I. Cole, partner, Beecroft, Cole & Co., Topeka, Kan.; and Lawrence M. Mullen, Jr., of Associated Fund, Inc., St. Louis.

No. 5 (Alabama, Arkansas, Louisiana, Mississippi and a part of Tennessee) Louis A. Lanford, Secretary and Treasurer, Hill, Crawford & Lanford, Inc., Little Rock, Ark.; and Miles A. Watkins, Vice-President, Stubbs, Watkins & Lombardo, Inc., Birmingham, Ala.

No. 6 (Texas) William C. Porter, President, Dittmar & Co., San Antonio; C. Pharr Duson of Rotan, Mosle & Co., Houston; and Richard King, III, of King, Nelson & Calvert, Corpus Christi.

No. 7 (Florida, Georgia, South Carolina and a part of Tennessee) William H. Zimmerman of Spencer, Zimmerman, Pound & Co., Columbus, Ga.; and Matthew B. Pilcher, President, Mid-South Securities Co., Nashville.

No. 8 (Illinois, Indiana, Iowa, Michigan, Minnesota and Wisconsin) A. Paul Ogilvie of Hornblower & Weeks, Chicago; Walter E. Auch of Bache & Co., Detroit; William L. Liebman of Loewi & Co., Milwaukee; and Richard J. Swiat of Olmsted of Mulhall, Inc., Kalamazoo, Mich.

No. 9 (Kentucky and Ohio) Lawrence L. Ball, Treasurer, Hunter, Prugh, Ball & Davidson, Inc., Dayton; and Seth M. Fitchet, resident manager, Merrill Lynch, Pierce, Fenner and Smith, Inc., and Leslie B. Schwinn of L. B. Schwinn & Co., both of Cleveland.

No. 10 (District of Columbia and the states of Maryland, North Carolina and Virginia) Thomas L. Anglin, partner, Mackall & Coe, Washington; Robert King, Jr., President, First Securities Corp., Durham, N. C.; and W. James Price, IV, partner, Alex. Brown & Sons, Baltimore.

No. 11 (Delaware, Pennsylvania, West Virginia and a part of New Jersey) William Gerstley, II, partner, Gerstley, Sunstein & Co., and Edgar J. Loftus, resident manager, W. E. Hutton & Co., both of Philadelphia; David A. Burt of Hazlett, Burt & Watson, Wheeling, W. Va.; and David W. Hunter, partner, McKelvy & Co., Pittsburgh.

No. 12 (Connecticut, New York and a part of New Jersey) Warren K. Van Hise of Parker & Weissenborn, Newark, N. J.; and the following, all from New York: James F. Keresey of Baker Weeks & Co.; H. Theodore Freeland of American Securities Corp.; Robt. M. Gardiner of Reynolds & Co.; Allen C. Eustis, Jr., of Spencer Trask & Co.; and Victor M. Miller of G. A. Saxton & Co.

No. 13 (Maine, Massachusetts, New Hampshire, Rhode Island and Vermont) Thomas Whiteside, President, Chace Whiteside & Winslow, Inc., and John M. Bleakie, resident partner, W. E. Hutton & Co., both of Boston; and Clifford B. Barrus, Jr., of Barrett & Co., Providence, R. I.

Hart Director of Canadian Fund

G. Arnold Hart, President of the Bank of Montreal has been named a director of Canadian Fund, Inc. and Canadian Investment Fund, Ltd., it was announced by Hugh Bullock, President of both companies. Canadian Fund, Inc., founded in 1952, is the first U. S. mutual fund to provide U. S. investors with the opportunity of investing in Canada. It is managed by Calvin Bullock, Ltd. Mr. Hart is a native of Toronto and began his banking career there in 1931. Subsequently, he served in a number of Bank of Montreal branches before coming to the bank's head office in Montreal.

G. Arnold Hart

Forms Givens & Co.

MIAMI, Fla.—Givens & Company, Inc. has been formed with offices in the Du Pont Building to engage in a securities business. Officers are Robert H. Givens, Jr., President; D. F. Givens, Vice-President; and D. H. Givens, Secretary-Treasurer.

Edlin-Goldman Formed

Edlin-Goldman, Inc., has been formed with offices at 44 Park Avenue, South, New York City, to engage in a securities business. Officers are Louis D. Goldman, President; William L. Robinson, Vice-President, and Pearl P. Edlin, Secretary-Treasurer.

Mutual Fund Distributors

SALT LAKE CITY, Utah. — Mutual Fund Distributors Corp. has been formed with offices in the Utah Savings Building to engage in a securities business. Officers are Fred J. Bacon, Jr., Vice-President; D. Louis Broussard, 1st Vice-President; Jack E. Call, 2d Vice-President, and Edwin A. Van Sickle, Secretary. Mr. Call has been local manager for FOF Associates, Inc. In the past he conducted his own investment business in Salt Lake City.

The Long-Range Outlook For Mortgage Financing

Continued from page 3

dwelling unit is lower than the national average.[4] Among the factors exerting an upward pressure, the most important is the likelihood that home buyers will continue to demand larger rooms and more rooms per house. In this connection, it is pertinent that in 1959 new, one-family houses insured by FHA had average floor space of 1,140 square feet; the corresponding figure for 1950 was only 894 square feet.[5] Another factor making for higher cost is the typical homebuyer's increased preference for better construction materials and for more and better equipment and appliances.

Whether one feels that the net resultant of these forces will bring higher or lower construction cost is admittedly a matter of subjective judgment. We feel that the forces exerting an upward pressure on cost are stronger than those that exert a downward pressure. During 1950-1959, the average cost per dwelling unit (in 1959 dollars) increased at a rate of roughly 1.5% per annum. In view of the expected rise in income, it does not seem unreasonable to assume that the average cost will continue to increase at 1.5% for the next 10 years. Under this assumption, the average cost per dwelling unit (in 1959 dollars) is expected to reach $14,447 by 1965 and $15,358 by 1969.

If our projections of housing starts and of average price should prove correct, then expenditures on new dwelling units during the 1960s will amount to a total of roughly $195 billion. We must also take account of expenditures for major alterations and additions, because they, too, are generally financed with long-term mortgages. In recent years, these expenditures have been running at a rate of close to one-fifth of expenditures on new dwelling units. Adjusting our figure of $195 billion upward by one-fifth, we arrive at $234 billion (in 1959 prices) as the projected total residential construction expenditures for the decade of the 1960s.

(B) Projection of Increase in Residential Mortgage Debt

The above projected residential construction expenditures furnishes us with a basis for estimating the future demand for residential mortgage credit. This is possible because there exists a fairly predictable relationship between construction activity and mortgage financing. As Table 3 brings out, during the 1950s the ratio of annual increase in debt to the corresponding construction expenditures varied between 55.8% and 72.8%. For the period as a whole, the increase in residential mortgage debt was $102.1 billion, or 65% of residential construction expenditures during the same period.

Using a debt-to-expenditure ratio of 65%, the computed value of the ratio for the 1950s, we arrive at a projected increase in the demand for residential mortgage debt during the 1960s of $152.1 billion. If this increased demand is met in full, residential mortgage debt outstanding will increase from $147.0 billion at year-end 1959 to $299.1 billion (in 1959 prices) by the end of 1969.

III

The Supply of Residential Mortgage Credit

In view of the huge demand for residential mortgages projected for 1960-1969, the logical question is this, will the future supply of funds be adequate in meeting this demand? To answer this question, let us first obtain some perspective on the matter by examining the record of residential mortgage financing, and especially the major sources of funds, during the years since the end of World War II.

(A) Perspective on Residential Mortgage Financing

Residential mortgage credit has constituted one of the fastest growing industries in our post-war economy. The amount of such credit outstanding grew continually from $23.3 billion at the end of 1945 to $44.9 billion at the end of 1949 to $147.0 billion at the end of 1959. Between 1945 and 1949, residential mortgage credit grew at a rate of 17.7% per annum; between 1949 and 1959 at a rate of 12.6% per annum. Taking 1945-1959 as a whole, residential mortgage credit grew at an average yearly rate of slightly more than 14.1%. The corresponding rate recorded by GNP during the same 14-year period was only 5.9%.

Table 4 reveals the sources

4 National Planning Association, *National Economic Projections, 1962-1965, 1970*, (Washington, D. C., 1959) p. B-32.

5 Housing and Home Finance Agency, *Thirteenth Annual Report*, (Washington, D. C., 1960) p. 117.

TABLE I

Estimate of New Housing Starts, Decade of the Sixties

	Housing Needs	Housing Supply
Increase in nonfarm households	10,100,000	--------
Units lost through destruction, conversion to other uses, merger, etc	3,500,000	--------
Increase in vacancies	400,000	--------
Seasonal and "second home"	750,000	--------
Units supplied by conversion, trailers, public housing, etc.	--------	1,250,000
	14,750,000	1,250,000
New housing starts	--------	13,500,000
Total	14,750,000	14,750,000

SOURCE: W. George Pinelli, *The Next Decade* (Bloomington: School of Business, Indiana University, 1959) p. 18.

TABLE II

Nonfarm Dwelling Units: Starts, Completions, Total Construction Cost, and Construction Cost per Completed Dwelling Unit, 1950-59

Year	No. of Private Starts	No. of Units Completed	Total Construction Cost (Millions)* Current Dollars	Total Construction Cost (Millions)* 1959 Dollars	Construction Cost per Dwelling Unit Completed Current Dollars	Construction Cost per Dwelling Unit Completed 1959 Dollars
1950	1,352,200	1,261,200	11,525	14,625	9,140	11,600
1951	1,020,100	1,103,125	9,849	11,669	8,930	10,530
1952	1,068,500	1,056,400	9,870	11,384	9,340	10,780
1953	1,068,300	1,068,350	10,555	11,967	9,880	11,200
1954	1,201,700	1,168,350	12,070	13,779	10,330	11,790
1955	1,309,500	1,282,550	14,990	16,600	11,690	12,940
1956	1,093,900	1,147,800	13,535	14,368	11,790	[illegible]
1957	992,800	1,018,075	12,615	13,141	12,390	12,910
1958	1,141,500	1,104,325	13,552	14,000	12,270	12,680
1959	1,342,800	1,292,475	17,116	17,116	13,240	13,240

*Includes new dwelling units only, excludes alterations and additions, and nonhousekeeping units.

SOURCE: Based on data published by Department of Commerce and by housing and Home Finance Agency.

which financed this rapid growth in mortgage credit. Between 1946 and 1959, residential mortgage debt increased by $123.7 billion, of which 37.8% was supplied by savings and loan associations, 19% by life insurance companies, 15.4% by mutual savings banks, 13.7% by commercial banks, and 14.1% by individuals and others. The period 1946-1959 also witnessed important shifts in the percentage distribution of outstanding residential mortgage among various types of investors. Thus, as Table 5 brings out, whereas in 1946 the share of such credit held by savings and loan associations, and by individuals and others were, respectively, 22.6% and 32.3%; the corresponding percentages in 1959 were, respectively, 35.4% and 17%. The relative shares of such credit held by life insurance companies, mutual savings banks, and commercial banks did not change much during 1946-1959. At year-end 1959, the shares were, respectively, 18.5%, 15.3% and 13.8% of the total outstanding.

It is also significant that during 1946-1949, the savings capital of these four types of financial institutions increased by a total of $27.1 billion.[6] Of this sum, 68%, or $18.3 billion, was invested in residential mortgages. During 1950-1959 the increase in total savings capital was $126 billion, 70% of which, or $88.0 billion, was invested in residential mortgages.

(B) Prospect for 1960s

It is clear from the above discussion that the sources of residential mortgage credit are concentrated in savings and loan associations, life insurance companies, mutual savings banks and commercial banks. These four types of financial institutions accounted for 86% of the net flow of residential mortgage credit during the 1950s, and by year-end 1959 held about 84% of total outstanding residential mortgages. Unless new sources of funds appear, therefore, the future flow of residential mortgage credit depends mainly on (1) the rate at which the savings capital of these four types of institutions will increase, and (2) the share of the increase in savings capital which will be invested in residential mortgage credit.

What is the prospect of growth for the four main types of financial institutions during the 1960s? On the basis of underlying trends which are visible as of now, the estimate is that the savings capital of these institutions[7] may be expected to increase by as much as $223 billion.

This is the basis on which the estimate is made. During the past several years, the increase in institutional savings capital has been closely correlated with the level of disposable personal income. This close correlation is not unexpected, because the flow of institutional savings capital is a function of personal savings which, in turn, is a function of disposable personal income. The projected increase in savings capital is calculated on the basis of observed relationship between disposable personal income and personal savings and between personal savings and flow of institutional savings capital.

During 1950-54 personal savings averaged 7.4% of disposable personal income; for 1955-59 the corresponding average was 7.2%.[8]

In view of the stability of this ratio, personal savings can be projected with reasonable accuracy at 7.2% of disposable personal income. During 1950-54 the increase in institutional savings capital averaged 57.4% of personal savings; the corresponding average for 1955-59 was 68.4%.[9] Since the trend toward institutionalization of personal savings is likely to continue, 70% of personal savings seems a reasonable projection of the expected increase in institutional savings capital during the 1960s. During the 1960s, annual disposable personal income is expected to average $442 billion (in 1959 prices).[10] If events prove this correct, we may reasonably expect personal savings to total $319 billion and institutional savings capital to increase by $223 billion during the same period. (See Table 6.)

Granted that institutional savings capital will increase by $223 billion during the 1960s, what percentage of that increase is likely to be available for financing residential mortgages? Two factors are relevant here: (1) the distribution of the increase in savings capital among the four types of institutions, and (2) the share of the increase which each type of institution will devote to residential mortgages. During 1950-1954, the increase in savings capital was distributed as follows: Savings and loan associations 29.4%, life insurance companies 37.7%, mutual savings banks 13.9%, and commercial banks 19.0%. The corresponding figures for 1955-1959 were, respectively, 36.0%, 28.7%, 11.4% and 23.8%. Between the first and second halves of the last decade, therefore, savings associations and commercial banks gained relatively at the expense of mutual savings banks and life insurance companies. The relatively slower growth of mutual savings banks was attributable to their geographic concentration in New England states. The growing popularity of term insurance and rise in surrender benefits were the major factors slowing down the growth of life insurance companies.[11] Inview of these underlying forces, a reasonable assumption for the 1960s is that savings and loan associations will capture 40% of the increase in institutional savings capital, life insurance companies and commercial banks 25% each, and mutual savings banks 10%.

An examination of past data reveals that three of these four types of financial institutions have, in recent years at least, invested a fairly stable proportion of their savings capital in residential mortgages.[12] During the 1950s, savings and loan associations invested between 93.2% and 95.8% of their savings capital in residential mortgages; the average figure for the decade was 94.5%. For commercial banks, the ratio fluctuated between 29.5% and 35.1%; the average figure for the decade was 31.9%. The life insurance companies were somewhat less stable than either commercial banks or savings and loan associations during the 1950s as a whole; their ratios varied between 20.7% and 30.4%. However, during 1955-1959 the variation was narrowed down to between 28.8% and 30.4%. Mutual savings banks were the only type of institution which exhibited a continued upward trend in the share of their capital invested in residential mortgages; 35.5% in 1950, 50.3% in 1954, and 64.4% in 1959. Even for mutual savings banks, however, the ratio has been stabilizing in the last few years.

For estimating the supply of residential mortgage funds, therefore, we assume: (1) Of the projected increase in institutional savings capital, savings and loan associations will receive 40%, life insurance companies and commercial banks 25% each, and mutual savings banks 10%. (2) Of the savings capital which they receive, savings and loan associations will invest 95% in residential mortgages, life insurance companies 30%, commercial banks 33.3%, and mutual savings banks 60%. Our calculation reveals that $133 billion will be available from these sources. On the further assumption that individuals and others will continue their relative share of the total supply, a total supply of $155 billion in residential mortgage funds is indicated. (See Table VI.)

It will be recalled that our projected demand for mortgage funds in the 1960s was $152.1 billion. If we are right, this means that residential mortgage funds will be available in adequate volume to meet the projected demand. It should be noted, however, that this over-all balance between supply and demand does not preclude the possibility of year-to-year fluctuations in supply and demand relationships. In all probability, we will continue to have alternate periods of credit shortage and credit abundance—periods during which the mortgage market will show varying degrees of stringency and ease. But short-run fluctuations aside, it does seem that for the decade as a whole adequate funds will be forthcoming to meet the projected demand of $152.1 billion.

IV

Summary and Conclusions

The result of our projections, made on the basis of assumptions which seem reasonable as of now, can be summarized as follows:

First, the 13.5 million housing starts projected for the 1960s implies that residential construction expenditures during the 1960s will total $234 billion (in 1959 prices). This latter figure is calculated on the assumption that reflecting a rising standard of living, the average price per dwelling unit in 1969 will be about 16% higher than that in 1959.

Second, during the 1950s the increase in outstanding residential mortgage debt equaled 65% of residential construction expenditures. Our $234 billion of projected expenditures, therefore, indicates a $152.1 billion increase in mortgage debt during the 1960s.

Third, on the supply side, we projected that the savings capital at four major types of institutions will increase by $223 billion during the 1960s. This projection is made on the assumption that stable relationships exist between disposable personal income and personal savings, and between personal savings and flow of institutional savings capital.

Fourth, of the $223 billion increase in institutional savings capital, $133 billion, or 60%, are likely to be invested in residential mortgages. This projection assumes that savings and loan associations will continue to capture an expanding share of the annual increase in institutional savings capital, and that all types of institutions will invest roughly the same percentages of their savings capital in mortgages as they did in 1959.

Fifth, if individuals and other lenders continue to supply their share of the total, the above projection indicates that the total supply of residential mortgages during the 1960s will amount to a total of $155 billion (in 1959 prices).

Finally, in the light of the above projections, the conclusion is reached that during the 1960s residential mortgage funds will be available in adequate volume to meet the projected demand for such funds.

[6] Savings capital is defined here to include individual savings in the form of life insurance reserves and savings deposits at commercial banks, mutual savings banks, and savings associations. Data on savings capital are from the American Bankers Association, *Statistics on the Savings Market*, 1960 edition, pp. 7-8.

[7] Referred to hereafter simply as "institutional savings capital." Statistics on institutional savings capital, cited in this paper, are all taken from *Statistics on the Savings Market*, 1960 edition, p. 7.

[8] See *Economic Report of the President* (1960) p. 170.

[9] Derived from data in *Statistics on the Savings Market*, 1960 edition, p. 7 and in *Economic Report of the President* (1960) p. 170.

[10] Based on the National Planning Association's medium projection of disposable personal income. See the Association's *National Economic Projection, 1962-65, 1970*, p. H-31.

[11] See Kenneth M. Wright, "Gross Flows of Funds Through Life Insurance Companies," *Journal of Finance*, Vol. 15 (May, 1960), 140-156.

[12] Based on savings capital and mortgage investment data from sources cited earlier.

TABLE IV

Net Change in Residential Mortgage Outstanding, Dec. 31, '45 to Dec. 31, 1959

Lender—	Net Change Millions of $	% of Total
Savings & loan associations	$46,757	37.8
Life insurance companies	23,502	19.0
Mutual savings banks	19,099	15.4
Commercial banks	16,925	13.7
Subtotal	$106,284	85.9
Individuals and others	17,442	14.1
All lenders	$123,726	100.0

SOURCES: Derived from data in Klaman, *The Volume of Mortgage Debt in the Postwar Decade*, pp. 46-47; United States Savings and Loan League, *Savings and Loan Fact Book, 1960*, p. 79; *Federal Reserve Bulletin*, Vol. 46 (June, 1960), 671.

TABLE III

Residential Construction Expenditures and Increase in Outstanding Residential Mortgage Debt, 1950-1959

(In Current Dollars)

Year—	Residential Construction Expenditures*	Increase in Residential Mtge. Debt	Ratio of Increase in Debt to Construction Expenditures
1950	$13,900,000,000	$8,700,000,000	62.6%
1951	12,300,000,000	7,800,000,000	63.4
1952	12,700,000,000	7,500,000,000	59.1
1953	13,500,000,000	8,200,000,000	60.7
1954	15,100,000,000	10,200,000,000	67.5
1955	18,400,000,000	13,400,000,000	72.8
1956	17,200,000,000	11,400,000,000	66.3
1957	16,500,000,000	9,200,000,000	55.8
1958	17,400,000,000	11,700,000,000	67.2
1959	21,600,000,000	14,000,000,000	65.0
Total	$158,600,000,000	$102,100,000,000	65.0%

*Includes new dwelling units, alterations and additions, but excludes nonhousekeeping units.

SOURCE: Derived from data published by Department of Commerce and data appearing in Saul B. Klaman, *The Volume of Mortgage Debt in the Postwar Decade* (New York: National Bureau of Economic Research, 1958).

TABLE V

Distribution of Residential Mortgage Credit Outstanding, by Type of Lender, Selected Year-Ends 1945-1959

Lender—	1945	1949	1954	1959
Savings and loan associations	22.6%	25.4%	29.4%	35.4%
Life insurance companies	15.9	18.7	21.3	18.5
Mutual savings banks	14.6	12.4	15.1	15.3
Commercial banks	14.6	19.3	16.2	13.8
Subtotal	67.7%	75.8%	82.0%	83.0%
Individuals and others	32.3	24.2	18.0	17.0
All lenders	100.0%	100.0%	100.0%	100.0%
Total outstanding (in millions of $)	$23,274	$44,886	$87,280	$14,700

SOURCES: Derived from the same sources as was Table IV.

TABLE VI

An Estimate of the Supply of Residential Mortgage Funds During the 1960's

(In Billions of 1959 Dollars)

1. Disposable personal income	$4,424
2. Personal saving (7.2% of line 1)	319
3. Increase in institutional savings capital (70% of line 2)	223
4. Increase in institutional supply of residential mortgages (Based on assumptions in text)	133
5. Increase in total supply of residential mortgages (Line 4 plus estimated supply from individuals and others)	155

Phila. Secs. Assn. Elects Officers

PHILADELPHIA, Pa.—Gordon L. Keen, of R. W. Pressprich & Co, was elected President of the Philadelphia Securities Association at the annual election and dinner meeting of the association. Mr. Keen succeeds Albert A. R. Wenzel, of Francis I. duPont & Co., whose term expired.

Gordon L. Keen

Other officers elected for one-year terms were: Phillips B. Street, of The First Boston Corp., Vice-President Robert T. Arnold, of Suplee, Yeatman, Mosley Co., Inc., Treasurer, and Henry McK. Ingersoll, of Smith, Barney & Co., Secretary.

The following were elected to the Board of Governors: H. Clifton Neff, of Schmidt, Roberts & Parke, to serve one year; Henry McK. Baggs, of Penn Mutual Life Insurance Co., Frederick T. J. Clement, of Drexel & Co., F. Stanton Moyer, of Eastman Dillon, Union Securities & Co., and Daniel J. Taylor, of Woodcock, Moyer Fricke & French, Inc., to serve two years.

Pac. Coast Exch. Names Officers

Election of Warren H. Berl, of Sutro & Co., San Francisco, as Chairman, and D. R. Hopkins, of Hopkins, Harbach & Co., Los Angeles, as Vice-Chairman of the newly created single Board of Governors of Pacific Coast Stock Exchange was announced following the annual meeting of the Los Angeles and San Francisco Divisions.

Other Los Angeles representatives elected to the Board were: Stevens Manning, partner of Paine, Webber, Jackson & Curtis; Emerson B. Morgan, partner of Morgan & Co.; Brian F. Neary, partner of Neary, Purcell & Co.; Chester L. Noble, partner of Noble, Tulk & Co. Other San Francisco representatives elected to the Board were: R. William Bias, partner Shuman, Agnew & Co.; Jack C. Johnsen, partner Parrish & Maxwell; George J. Otto, partner Lundborg (Irving) & Co.; Palmer York, Jr., partner York & Co.

Each division's representatives to the Board of Governors will act as a management committee of their respective division under the new single constitution, which became effective Jan. 19, 1961.

P. I. Clough Opens

MT. VERNON, N. Y. — Peter I. Clough is conducting a securities business from offices at 601 South Columbus Avenue.

AS WE SEE IT

Continued from page 1

turned out to be. We have no way of knowing just what the real difficulties of the Kremlin dictator are, if any, and are similarly without information as to what the range of choices he has in dealing with the leading representative of the West. We may take if for granted, however, that "peaceful" co-existence as conceived by the communist leader by no means excludes "sacred wars" such as that now being waged—if it is a war—in Cuba with the encouragement and assistance of both the Soviets and Communist China.

So long as the Kremlin intends to fish in all troubled waters with vim and vigor there is certainly a limit to what an agreement with it can signify—although doubtless there would be gain in coming to some sort of *modus operandi* concerning certain trouble spots throughout the world, such for example as Berlin. Little wonder that one of the "task forces" in Washington is preparing to brief the President on some of the aspects of past dealings with the Kremlin.

Problems at Home

But, of course, the President does not have to look abroad for really tough problems. One of his repeatedly avowed objectives is to increase the rate of growth of the "economy" and to keep it going at the new rate. Here again it is certainly not surprising that the President has asked for help. It is, so far as we are aware, a new undertaking, and certainly a most difficult one. So far as we have been able to follow what is being said in the Administration, no one has come up with even a clear analysis of what has to be done to stimulate growth in total output of goods and services in this country without at the same time causing a sharp rise in prices or an increase in the production of goods that are already in surplus supply.

One of the best analyses of the subject that has come to our attention is that of a former university Professor in this country but now at a Canadian University, Professor David McCord Wright, who recently spoke on the subject to the National Association of Manufacturers. S vital is this analysis and so different from the ordinary run of balderdash that is uttered on the subject we feel that it is well worth while to present the heart of Professor Wright's comments at this place even though it has already appeared in the columns of the *Chronicle*. We respectively and heartily commend it to the attention of the President—as probably containing basic ideas that are both essential and not very likely to be found in the reports of any of his task forces.

A Straightforward Analysis

Said Professor Wright:

"I am reminded of R. H. Tawney's 'the proper thing for a man in difficulty to do is not to advance as rapidly as possible in the wrong direction.' Let us run over past history a bit to give an adequate background.

"Every great war has usually induced inflation and every great war of modern times has been followed after a while by deflation. I do not subscribe to any theory of automatic 'glut' such as has been and no doubt soon again will be fashionable. But what does happen during a great war is an enormous over-stimulation of *particular* lines, and after a while those lines find themselves over-committed. The problem then is one of *redirection* of the flow of production. . . .

"When a considerable section of the economy has become overcommitted either temporarily or for the long run and begins to slow down activity then the depression begins to spread. And immediately the cry is raised of 'shortage of demand' and so we start to reach for the inflation bottle. This is like trying to cure a fever by getting drunk. . . .

"The fundamental task, as I have said, is a redirection of production. But in a free enterprise economy such as ours is—and such as I hope it will continue to be—this redirection is partially at least implemented by cost-price relationships and profit *prospects*. Now here we hit a second factor in our present condition.

"North American (Canada and United States) management and North American labor have both been 'riding high' during the last 15 years. A world demand that seemed well-nigh insatiable plus an apparently endless inflation had led management to become somewhat complacent about product outlets. Also it was easy to grant wage concessions if they could be immediately recouped from the consumer. Many wages in many lines have outstripped gains in productivity. There has been not an exploitation of labor by capital but of capital by labor.

"Worse yet, the unions have followed the age-old pattern of 'mature' unionism and begun to dig in *technologically*. I mean that work rules and featherbedding have become an increasing problem. . . .

"Will we . . . find every effort at adjustment misrepresented as exploitation? Will we find ourselves encouraged to live in a cloud-cuckoo land of imaginary wealth and security? Will we find serious consideration of the problem blocked off by the clamor of quack nostrums? This is the problem that faces us. And on how we solve it depends our future."

These two, one a foreign relations problem, the other a domestic one, are but a pair out of many the new President must wrestle with. "Task forces" may help — or hinder — but upon the wisdom of the President's own decisions, his place in history and the welfare of this country will depend.

STATE OF TRADE AND INDUSTRY

Continued from page 5

stepped into the sheet market. Here, again, lack of lead time makes it difficult to measure their staying power when compared against auto cutbacks.

Oil country seamless and standard pipe had a January pick-up and inventory rebuilding here is a factor.

The magazine observes that products that have been weakest, such as bar and plate, are now showing the greatest relative gains. In contrast, automotive slowdowns have hit the cold-rolled sheet market.

The Iron Age reports that the auto picture changes daily. Lay-offs, production cuts, steel order setbacks, cancellations, and also demands for quick steel delivery contribute to the confusion.

At the moment, General Motors Divisions are carrying the automotive steel ball. Ford's January-April buy just about equals four-fifths of its original order. This means that almost a full month has been lopped off. Chrysler's March tonnage to date is very low.

Steel Production Data for the Week Ended Jan. 28

As previously announced (see page 26 of our issue Dec. 22) the American Iron and Steel Institute has materially changed its weekly report on the steel industry operations. The revised formula no longer relates production totals as a percentage of the industry's operating rate based on the Jan. 1, 1960 over-all productive capacity. Instead, and effective Jan. 1, 1961, the output figures are given as an index of production based on average weekly production for 1957-59.

The revised method of reporting presents the following data:

Production for week ending Jan. 28, 1961 was 1,466,000 tons (*78.7%) a 2.2% loss over previous week's output of 1,499,000 tons (*80.5%).

Production this year through Jan. 28, amounted to 5,808,000 tons (*77.9%), or 46.6% below the 10,886,000 tons (*146.1%) in the period through Jan. 30, 1960.

The institute concludes with Index of Ingot Production by Districts, for week ended Jan. 28, 1961, as follows:

	*Index of Ingot Production for Week Ending Jan. 28, 1961
North East Coast	77
Buffalo	73
Pittsburgh	69
Youngstown	76
Cleveland	73
Detroit	99
Chicago	84
Cincinnati	88
St. Louis	80
Southern	80
Western	84
Total industry	78.7

*Index of production based on average weekly production for 1957-59.

Auto Production Records Its Lowest January Output in 9 Years

U. S. auto makers will record their lowest January output in nine years, *Ward's Automotive Reports* said.

The statistical agency estimated January car production at 412,000 units for a 21.1% drop from December's 522,239 total and 40.2% below January, 1960 (688,731).

Ward's estimated production for this week would total 98,613 units as against 94,155 cars assembled in the previous five-day period, and contrasted with 159,581 in the same week of 1960.

Truck production this week was estimated at 18,928, only slightly bettering last week's 17,831. Willys, maker of 2,020 units in the previous week, was closed down all this week for further inventory adjustments Chevrolet closed Norwood (Ohio) facilities for the week and restricted three other sites to four days' operation.

Among car makers, *Ward's* said, Chrysler Corp. reactivated three Detroit area plants only to close down assembly at Los Angeles, St. Louis and Newark, with lay-offs affecting upwards of 5,000 workers. Ford closed Dearborn, Mahwah (N. J.) and St. Paul (Minn.), sites this week and sent workers home from Atlanta, San Jose and Lorain plants for Friday. The St. Louis plant formerly assembling Mercury cars remained closed pending conversion to standard Ford making.

All General Motors plants were operative, But Chevrolet restricted assembly to four days at three locations, and to three days at two others. Oldsmobile operations were limited to four days. Studebaker - Packard in South Bend, Ind. was out Monday. American Motors Corp. continued a five-day program.

Of the week's car production, General Motors accounted for 54.8%, Ford Motor Co. 25.7%, Chrysler Corp. 9.7%, American Motors Corp. 8.5%, and Studebaker-Packard 1.3%.

Electric Output 6.5% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Jan. 28, was estimated at 15,361,000,000 kwh., according to the Edison Electric Institute. Output was 544,000,000 kwh. above that of the previous week's total of 14,817,000,000 kwh. and showed a gain of 944,000,000 kwh., or 6.5% above that of the comparable 1960 week.

Freight Car Loadings Drop 16.6% Below Corresponding 1960 Week

Loading of revenue freight for the week ended Jan. 21, 1961, totaled 490,049 cars, the Association of American Railroads announced. This was a decrease of 97,358 cars or 16.6% below the corresponding week in 1960, and a decrease of 65,701 cars or 11.8% below the corresponding week in 1959.

Loadings in the week of Jan. 21, when heavy snowfall blanketed large areas, were 26,161 cars or 5.1% below the preceding week.

There were 10,269 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Jan. 14, 1961 (which were included in that week's over-all total). This was an increase of 673 cars or 7.0% above the corresponding week of 1960 and an increase of 3,640 cars or 54.9% above the 1959 week.

Cumulative piggyback loadings for the first two weeks of 1961 totaled 18,834 for an increase of 243 cars or 1.3% above the corresponding period of 1960, and 6,186 cars or 48.9% above the corresponding period in 1959. There were 54 Class I U. S. railroad systems originating this type traffic in the current week compared with 50 one year ago and 43 in the corresponding week of 1959.

Lumber Shipments Were 2.0% Below Production for Week Ended Jan. 21

Lumber shipments of 452 mills reporting to the National Lumber Trade Barometer were 2.0% below production during the week ended Jan. 21, 1961. In the same week, new orders of these mills were 3.2% above production. Unfilled orders of reporting mills amounted to 25% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 14 days' production at the current rate, and gross stocks were equivalent to 53 days' production.

For the year-to-date, shipments of reporting identical mills were 3.9% below production, new orders were 0.9% above production.

Compared with the previous week ended Jan. 14, 1961, production of reporting mills was 0.2% below; shipments were 7.9% above; new orders were 5.5% above. Compared with the corresponding week in 1960, production of reporting mills was 17.7% below; shipments were 15.4% below; and new orders were 7.6% below.

Business Failures Hit New Postwar High in Jan. 26 Week

Commercial and industrial failures climbed to a new postwar high of 400 in the week ended Jan. 26 from 340 in the preceding week, reported Dun & Bradstreet, Inc. Casualties exceeded considerably the 281 occurring in the similar week last year and the 322 in 1959. For the first time in 1961, failures also ran above their comparable prewar level, edging 4% above the 385 in 1939.

Liabilities of $5,000 or more were involved in 349 of the week's failures as against 314 in the previous week and 250 a year ago. Small casualties, those with losses under $5,000, almost doubled, rising to 51 from 26. Forty-six of the failing concerns suffered liabilities in excess of $100,000, somewhat fewer than a week earlier when there were 53.

Retailing casualties surged to 205 from 167, manufacturing to 71 from 56, and wholesaling to 44 from 30. However, contrasting declines prevailed in construction, down to 52 from 56, and commercial service, off to 28 from 30. In all industry and trade groups, mortality exceeded 1960 levels, with the steepest increase among wholesalers and retailers.

Tolls rose during the week in six of the nine major geographic regions. Failures in the Middle Atlantic States jumped to 132 from 93, in the South Atlantic to 68 from 45, in the East South Central to 17 from 6, while a milder increase lifted the East North Central to 70 from 66. Only three regions reported declines:

the New England, West South Central and Pacific States — the latter had 65 as compared with 78 in the previous week. More businesses succumbed than last year in all regions except New England.

Canadian failures dipped to 33 from 43 a week ago and from 49 in the corresponding week of 1960.

Wholesale Food Price Shows No Change From Prior Week

For the third week in a row, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., stood at $6.15 on Jan. 24. It compared with $5.90 on the corresponding date a year ago, for an increase of 4.2%.

Higher in wholesale cost this week were flour, corn, oats, barley, hams, lard, cocoa, prunes, steers, and hogs. Lower in price were bellies, cottonseed oil, potatoes, raisins, and lambs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Up Appreciably in Latest Week

Boosted by higher prices on grains, flour, lard, hogs and lambs, the general wholesale commodity price level advanced appreciably this week. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., stood at 268.77 (1930-32=100) on Jan. 30, compared with 267.30 a week earlier and 280.51 on the corresponding date a year ago.

Both domestic and export buying of wheat expanded noticeably this week on light offerings. As a result, wheat prices climbed appreciably. Purchases of wheat by flour mills also rose noticeably. Following the rise in wheat, rye prices moved up considerably on higher volume.

There was a moderate rise in corn prices, due more to limited supplies than to the volume of trade. Interest in oats was high, but volume was limited by light offerings in many markets. Soybeans prices posted sharp gains during the week as a result of reports that supplies were below a year ago.

Although flour trading subsided at the end of the week from the high levels earlier in the period, prices finished moderately higher. Sizable sales of flour were made to the Middle East, Africa, Latin America and the Netherlands.

Domestic and export purchases of rice expanded noticeably this week and supplies tightened; rice prices matched those of a week earlier. In the export market, Far Eastern and South American countries were most interested in purchasing United States rice.

There was a slight decline in sugar prices during the week, reflecting a dip in volume. Coffee trading edged up fractionally from a week earlier, but prices remained unchanged. A slight rise occurred in cocoa prices as trading was a little more active.

Hog prices advanced steadily throughout the week and finished moderately higher than a week earlier; trading was a bit higher and supplies were down somewhat. In contrast, prices on steers slipped slightly as trading eased on higher receipts. An appreciable rise occurred in lamb prices, due mostly to limited supplies.

Cotton future prices advanced moderately last week on the New York Cotton Exchange. United States exports of cotton in the week ended last Tuesday were estimated at 238,000 bales, compared with 297,000 a week earlier and 267,000 in the comparable period a year ago. For the season through Jan. 24 exports came to about 3,156,000 bales, compared with 2,853,000 in the similar period last year.

Snow and Cold in Many Cities Holds Retailing Below Year Ago

Heavy snows and ensuing cold weather in the mid-West and Northeast cut sharply into consumer buying in the week ended this Wednesday, and over-all retail trade for the country as a whole was down noticeably from last year. Retailers reported the most noticeable year-to-year dips in major appliances, floor coverings, and new and used passenger cars. More moderate declines occurred in apparel and furniture and sales of linens and draperies were only slightly on the down side.

The total dollar volume of retail trade in the week ended this Wednesday was from 6% to 10% below a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: New England —19 to —23; Middle Atlantic —17 to —21; South Atlantic —6 to —10; East North Central and East South Central —1 to —5; West North Central and Pacific Coast 0 to —4; West South Central and Mountain +2 to —2.

Nationwide Department Store Sales Down 5% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Jan. 21, 1961,* show a decrease of 5% below like period last year. For the week ended Jan. 14 an increase of 7% was reported. For the four weeks ended Jan. 21, 1961 a 2% loss was reported. The year 1960 over 1959 showed a 1% increase.

According to the Federal Reserve System, department store sales in New York City for the week ended Jan. 21 showed a 16% decrease over the same period last year. In the preceding week ended Jan. 14 sales showed an increase of 13% from the same week in 1960. For the four weeks ending Jan. 21 a 4% decrease was reported below the 1959 period, and for the year 1960 over year 1959 there was a gain of 4%.

* New Year's Day this year occurred in the week ending Jan. 7 whereas last year it was in the week ending Jan. 2, 1960. The week of Jan. 7, 1961, therefore, had one less trading day than the corresponding week last year.

Note: Cumulative year-to-date comparisons for 1961 over 1960 will be published effective the week ending Feb. 4, 1961.

New Saxton Wire Installed

G. A. Saxton & Co., Inc., has installed a new communications network to deliver nationwide messages to six affiliated brokerage firms linked with Saxton's Wall Street office. The 3,000-mile teletypesetter system is leased from the long lines department of American Telephone & Telegraph Company.

The installation integrates communications formerly handled by five separate circuits and interconnects Saxton with the following brokerage houses: Crowell, Weedon & Co., Los Angeles; Glore, Forgan & Co., Chicago; Reinholdt & Gardner, St. Louis; Schneider, Bernet & Hickman, Inc., Dallas; Stewart, Eubanks, Meyerson & Co., San Francisco; and Underwood, Neuhaus & Co., Inc., Houston.

Oppenheimer to Admit Partner

Oppenheimer & Co., 25 Broad St., New York City, members of the New York Stock Exchange, on February 9 will admit Ludwig Bravmann to partnership.

News About Banks-Bankers

Continued from page 19

capital stock from $1,800,000 to $2,000,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 100,000 shares, par value $20).

* * *

The Palmer-American National Bank of Danville, Danville, Ill. has increased its common capital stock from $400,000 to $500,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 50,000 shares, par value $10).

* * *

The First National Bank of Lockport, Lockport, Ill., has increased its common capital stock from $200,000 to $400,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 16,000 shares, par value $25).

* * *

The First National Bank of Chicago, Chicago, Ill. has increased its common capital stock from $125,000,000 to $150,000,000, by a stock dividend, effective Jan. 10. (Number of shares outstanding 7,500,000 shares, par value $20).

* * *

Following a recent meeting of its Board of Directors, **The Northern Trust Company, Chicago, Ill.,** announced the following promotions and new officer appointments:

Chapin Litten was promoted to Vice-President. Gordon M. Suckow was promoted to Second Vice-President.

Charles L. Kaufmann and Hugh B. McCulloch were promoted to Vice-Presidents. Leo J. Mueller was promoted to Second Vice-President.

William Ferguson and Norman E. Wright, Jr., were promoted to Second Vice-Presidents.

Richard M. Burridge was promoted to Second Vice-President.

James E. Baker and David Marcus were promoted to Second Vice-Presidents.

* * *

The Exchange National Bank of Chicago, Chicago, Ill., has increased its common capital stock from $2,000,000 to $2,500,000, by a stock dividend, effective Jan. 13. (Number of shares outstanding 125,000 shares, par value $20).

* * *

The First National Bank of Springfield, Springfield, Ill., has increased its common capital stock from $1,500,000 to $1,800,000, by a stock dividend, effective Jan. 13. (Number of shares outstanding 90,000 shares, par value $20).

* * *

Springfield Marine Bank, Springfield, Ill. has announced the election of George W. Bunn, Jr., as Chairman and Willard Bunn, Jr., as President. Robert J. Saner was promoted to Senior Vice-President; L. H. Coleman was elected Vice-President; George W. Bunn, III, Assistant Vice-President and Secretary.

* * *

Shareholders of **The Michigan Bank, Detroit, Mich.** have voted to increase the capital stock by $1,000,000 by issuing preferred stock in that amount.

Mr. Stoddard also announced that the Board elected Frank R. Welsher and Edwin B. Jones, Vice-Presidents of the Bank.

* * *

The Detroit Bank and Trust Company, Detroit, Mich. elected George E. Clark, Rodkey Craighead and Albert W. Holcomb, William Duell, Dix Humphrey, and George L. Hawkins, as Vice Presidents.

Dexter Ferry was elected Comptroller and Cleveland Thurber, Jr. as a Trust Officer.

* * *

Ernest R. Breech and John A. Hannah were elected to the board of the **Manufacturers National Bank of Detroit, Mich.**

* * *

Marine National Exchange Bank, Milwaukee, Wis. elected Charles A. Harris, Senior Vice-President and Willard J. Reik, Vice-President.

* * *

The First National Bank and Trust Company of Racine, Racine, Wis., has increased its common capital stock from $1,200,000 to $1,320,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 66,000 shares, par value $20).

* * *

The First National Bank of Fergus Falls, Fergus Falls, Minn., has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 2,000 shares par value $100).

* * *

The Citizens First National Bank of Wahpeton, Wahpeton, No. Dak. has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 2,000 shares, par value $100.)

* * *

Julian B. Baird has been re-elected Chairman of the **First National Bank of St. Paul, Minnesota.** Mr. Baird was also elected a director of the **First Trust Company, St. Paul, Minnesota.**

* * *

The Federal Deposit Insurance Corporation has taken over liquidation of the **Sheldon National Bank of Sheldon, Iowa,** following discovery of shortages approximately estimated at $2,000,000.

* * *

The North Side Bank, Omaha, Neb., has announced the election of Bernard J. Murphy and Donald R. Ostrand as Directors.

* * *

H. G. Blanchard has been elected President, J. W. Martin, Senior Vice-President and B. J. Ruysser, Executive Vice-President of the **Commercial National Bank, Kansas City, Kansas.**

* * *

The Utica Square National Bank of Tulsa, Tulsa, Okla., has increased its common capital stock from $600,000 to $750,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 50,000 shares, par value $15).

* * *

The American National Bank and Trust Company of Sapulpa, Okla., has increased its common capital stock from $300,000 to $500,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 50,000 shares, par value $10).

* * *

The Commercial National Bank of Little Rock, Little Rock, Ark., has increased its common capital stock from $1,200,000 to $1,500,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 75,000 shares, par value $20).

* * *

The Philips National Bank, Helena, Ark., has increased its common capital stock from $250,000 to $500,000 by a stock dividend, effective Jan. 18 (Number of shares outstanding 40,000 shares, par value $12.50).

* * *

The State National Bank of Texarkana, Texarkana, Ark., has increased its common capital stock from $1,000,000 to $1,500,000, by a stock dividend, effective Jan. 16. (Number of shares outstanding 150,000 shares, par value $10).

* * *

The First National Bank of Springdale, Springdale, Ark., has increased its common capital stock from $150,000 to $200,000 by a stock dividend, and from $200,000 to $250,000 by the sale of new stock effective Jan. 19. (Number of shares outstanding 5,000 shares par value $50).

* * *

The First National Bank of Hope, Hope, Ark., has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 20,000 shares, par value $10).

* * *

Newell S. Knight has been elected Vice-President of **First National Bank in St. Louis, Mo.**

* * *

Bank of St. Louis, Mo. elected J. W. Dorhauer, Vice-President.

* * *

The application of **Citizens Fidelity Bank and Trust Company, Louisville, Kentucky,** for permission to acquire the assets and assume the liabilities of **Bank of Louisville, Louisville, Kentucky,** has been disapproved.

* * *

The Hamilton National Bank of Chattanooga, Chattanooga, Tenn., has increased its common capital stock from $3,500,000 to $4,000,000 by a stock dividend, effective Jan. 16. (Number of shares outstanding 200,000 shares, par value $25).

* * *

The First American National Bank of Nashville, Nashville, Tenn. has increased its common capital stock from $8,000,000 to $9,000,000, by a stock dividend, effective Jan. 12. (Number of shares outstanding 900,000 shares, par value $10).

* * *

Gordon Hanes was elected a Director of **Wachovia Bank and Trust Company, Winston-Salem, N. C.,** Jan. 17.

* * *

The stockholders of **National Bank of Westchester, White Plains, N. Y.** approved a 4% stock dividend.

The approval of the stock dividend increased the outstanding shares from 1,099,883 to 1,143,878. The shareholders of record as of the close of business Feb. 10, will be entitled to share in this dividend.

* * *

Wiley R. Reynolds, Jr., who was re-elected Chairman of the Board of the **First National Bank in Palm Beach, Fla.** announced that Mr. Frank O. Prior and Mr. Peter A. B. Widener were elected to the Bank's Board of Directors.

Mr. Prior was a Director of both **Chase Manhattan Bank of New York,** as well as **First National Bank of Chicago.**

President Reynolds stated that William A. Solien, was appointed Vice-President.

William B. Cudahy was made Trust Investment Officer. He was formerly with the **American National Bank & Trust Company of Chicago.**

Richard Garrett was made Auditor. He was formerly Comptroller of the **Citizens National Bank at Orlando.**

Erskine C. Edwards, was advanced to Cashier.

Wyckoff Myers was advanced from Trust Officer to Vice-President and Trust Officer. Earl C. Williams, Trust Officer.

* * *

The First National Bank in Lake Worth, Lake Worth, Fla., has increased its common capital stock from $500,000 to $600,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 60,000 shares, par value $10).

* * *

The Moody National Bank of Galveston, Galveston, Texas, has increased its common capital stock from $500,000 to $1,000,000 by a stock dividend, effective Jan. 19. (Number of shares outstanding 50,000 shares, par value $20).

* * *

The National Bank of Commerce of Houston, Houston, Texas, has increased its common capital stock from $11,550,000 to $12,012,000 by a stock dividend, effective Jan. 16. (Number of shares outstanding 1,201,200 shares, par value $10).

* * *

The American National Bank of Austin, Austin, Texas has increased its common capital stock from $1,500,000 to $2,000,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 100,000 shares, par value $20).

Text of the President's State of the Union Message

Continued from page 18

negotiated. But Communist domination in this hemisphere can never be negotiated.

We are pledged to work with our sister republics to free the Americas of all such foreign domination and all tyranny, working toward the goal of a free hemisphere of free governments, extending from Cape Horn to the Arctic Circle.

In Europe our alliances are unfulfilled and in some disarray. The unity of NATO has been weakened by economic rivalry and partially eroded by national interest. It has not yet fully mobilized its resources nor fully achieved a common outlook. Yet no Atlantic power can meet on its own the mutual problems now facing us in defense, foreign aid, monetary reserves, and a host of other areas; and our close ties with those whose hopes and interests we share are among this nation's most powerful assets.

Challenge of Communism

Our greatest challenge is still the world that lies beyond the cold war—but the first great obstacle is still our relations with the Soviet Union and Communist China. We must never be lulled into believing that either power has yielded its ambitions for world domination — ambitions which they forcefully restated only a short time ago. On the contrary, our task is to convince them that aggression and subversion will not be profitable routes to pursue those ends. Open and peaceful competition—for prestige, for markets, for scientific achievement, even for men's minds—is something else again. For if freedom and communism were to compete for man's allegiance in a world at peace, I would look to the future with ever increasing confidence.

To meet this array of challenges — to fulfill the role we cannot avoid on the world scene — we must re-examine and revise our whole arsenal of tools: military, economic and political.

One must not overshadow the other. On the Presidential coat of arms, the American eagle holds in his right talon the olive branch, while in his left is held a bundle of arrows. We intend to give equal attention to both.

First, we must strengthen our military tools. We are moving into a period of uncertain risk in which both the military and diplomatic possibilities require a free world force so powerful as to make any aggression clearly futile. Yet in the past, lack of a consistent, coherent military strategy, the absence of basic assumptions about our national requirements and the faulty estimates and duplication arising from inter-service rivalries have all made it difficult to assess accurately how adequate — or inadequate—our defenses really are.

I have, therefore, instructed the Secretary of Defense to reappraise our entire defense strategy — our ability to fulfill our commitments —the effectiveness, vulnerability, and dispersal of our strategic bases, forces and warning systems —the efficiency and economy of our operation and organization—the elimination of obsolete bases and installations — and the adequacy, modernization and mobility of our present conventional and nuclear forces and weapons systems in the light of present and future dangers. I have asked for preliminary conclusions by the end of February — and I shall then recommend whatever legislative, budgetary or executive action is needed in the light of those conclusions.

Steps Needed Now

In the meantime, I have asked the Defense Secretary to initiate immediately three new steps clearly needed now:

(a) I have directed prompt action to increase our airlift capacity. Obtaining additional air transport mobility — and obtaining it now — will better assure the ability of our conventional forces to respond, with discrimination and speed, to any problem at any spot on the globe at any moment's notice. In particular, it will enable us to meet any deliberate effort to avoid or divert our forces by starting limited wars in widely scattered parts of the world.

(b) I have directed prompt action to step up our Polaris submarine program. Using unobligated shipbuilding funds now (to let contracts originally scheduled for the net fiscal year) will build and place on station—at least nine months earlier than planned—substantially more units of a crucial deterrent—a fleet that will never attack first, but possess sufficient powers of retaliation, concealed beneath the seas, to discourage any aggressor from launching an attack on our security.

(c) I have directed prompt action to accelerate our entire missile program. Until the Secretary's reappraisal is completed, the emphasis here will be largely on improved organization and decision-making — on cutting down the wasteful duplications and time-lag that have handicapped the whole family of missiles. If we are to keep the peace, we need an invulnerable missile force powerful enough to deter any aggressor from even threatening an attack he would know could not destroy enough of our force to prevent his own destruction. For as I said upon taking the oath of office: "Only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed."

Secondly, we must improve our economic tools. Our role is essential ad unavoidable in the construction of a sound and expanding economy for the entire non-Communist world, helping other nations build the strength to meet their own problems, to satisfy their own aspirations, and to surmount their own dangers. The problems in achieving this goal are towering and unprecedented — the response must be towering and unprecedented as well, much as lend-lease and the Marshall Plan were in earlier years.

Would Centralize Foreign Aid Program

(a) I intend to ask the Congress for authority to establish a new and more effective program for assisting the economic, educational and social development of other countries and continents. That program must stimulate and take more effectively into account the contributions of our allies, and provide central policy direction for all our programs that now so often overlap, conflict or diffuse our energies. Such a program, compared to past programs, will require:

—More flexibility for short-run emergencies.

—More commitment to long-term development.

—New attention to education at all levels.

—Greater emphasis on the recipient nation's role, effort and purpose, with gerater social justice, broader ditsribution and participation, and more efficient public administration and tax systems.

—And orderly planning for national and regional development instead of a piecemeal approach.

(b) I hope the Senate will take early action approving the convention establishing the Organization for Economic Cooperation and Development. This will be an important instrument in sharing with our allies this development effort—working toward the time when each nation will contribute in proportion to its own ability to pay. For, while we are prepared to assume our full share of these huge burdens, we cannot bear them alone.

(c) To our sister republics to the south, we have pledged a new alliance for progress — Alianza Para Progreso. Our goal is a free and prosperous Latin America, realizing for all its states and their citizens a degree of economic and social progress that matches their historic contributions of culture, intellect and liberty. To start this nation's role in that alliance of neighbors, I am recommending the following:

—That the Congress appropriate in full the $500 million fund pledged by the Act of Bogota, to be used not as an instrument of the cold war, but as a first step in the sound development of the Americas.

—That a new interdepartmental task force be established under the leadership of the Department of State, to coordinate at the highest level all policies and programs of concern to the Americas.

—That our delegates to OAS (Organization of American States), working with those of other members, strengthen that body as an instrument to preserve the peace and to prevent foreign domination anywhere in the hemisphere.

—That, in cooperation with other nations, we launch a new hemispheric attack on illiteracy and inadequate educational opportunities at all levels; and, finally.

"Food for Peace" Program

That a food-for-peace-mission be sent immediately to Latin America to explore ways in which our vast food abundance can be used to help end hunger and malnutrition in certain areas of suffering throughout the hemisphere.

(d) This administration is expanding its new food-for-peace program in every possible way. The product of our abundance will be more effectively used to relieve hunger and help economic growth in all corners of the globe. I have asked the director of this program to recommend additional ways in which these surpluses can advance the interests of world peace —including the establishment of world food reserves.

(e) An even more valuable national asset is our reservoir of dedicated men and women — not only on our college campuses but in every age group — who have indicated their desire to contribute their skills, their efforts, and a part of their lives to the fight for world order. We can mobilize this talent through the formation of a national peace corps, enlisting the services of all those with the desire and capacity to help foreign lands meet their urgent needs for trained personnel.

(f) Finally, while our attention is centered on the development of the non-Communist world, we must never forget our hopes for the ultimate freedom and welfare of the eastern European peoples. In order to be prepared to help re-establish historic ties of friendship, I am asking the Congress for increased discretion to use economic tools in this area whenever this is found to be clearly in the national interest. This will require amendment of the Mutual Defense Assistance Control Act along the lines I proposed as a member of the Senate.

Meanwhile, I hope to explore with the Polish Government the possibility of using our frozen Polish funds on projects of peace that will demonstrate our abiding friendship for the people of Poland.

Third, we must sharpen our political and diplomatic tools—the means of cooperation and agreement on which an enforceable world order must ultimately rest.

Arms Control Policies

(a) I have already taken steps to coordinate and expand our disarmament effort—to increase our programs of research and study—and to make arms control a central goal of our national policy under my personal direction. The deadly arms race and the huge resources it absorbs have too long overshadowed all else we do. We must prevent that arms race from spreading to new nations, to new nuclear powers and to the reaches of outer space. We must make certain that our negotiators are better informed and better prepared — to formulate workable proposals of our own and to make sound judgments about the proposals of others.

I have asked the other governments concerned to agree to a reasonable delay in the talks on a nuclear test ban—and it is our intention to resume negotiations prepared to reach a final agreement with any nation that is equally willing to agree to an effective and enforceable treaty.

(b) We must increase our support of the United Nations as an instrument to end the cold war instead of an arena in which to fight it. In recognition of its increasing importance and the doubling of its membership:

—We are enlarging and strengthening our own mission to the U.N.

—We shall help insure that it is properly financed.

—We shall work to see that the integrity of the office of the Secretary-General is maintained.

—And I would address a special plea to the smaller nations of the world—to join with us in strengthening this organization, which is far more essential to their security than ours—the only body in the world today where no nation need be powerful to be secure, where every nation has an equal voice, and where any nation can exert influence not according to the strength of its armies but according to the strength of its ideas.

(c) Finally, this administration intends to explore promptly all possible areas of cooperation with the Soviet Union and other nations "to invoke the wonders of science instead of its terrors." Specifically, I now invite all nations—including the Soviet Union —to join with us in developing a weather prediction program, in a new communications satellite program and in preparation for probing the distant planets of Mars and Venus, probes which may some day unlock the deepest secrets of the universe.

Space Technology for Peaceful Uses

Today this country is ahead in the science and technology of space, while the Soviet Union is ahead in the capacity to lift large vehicles into orbit. Both nations would help themselves as well as other nations by removing these endeavors from the bitter and wasteful competition of the cold war. The United States would be willing to join with the Soviet Union and the scientists of all nations in a greater effort to make the fruits of this new knowledge available to all—and, beyond that, in an effort to extend farm technology to hungry nations—to wipe out disease—to increase exchanges of scientists and their knowledge —and to make our own laboratories available to technicians of other lands who lack the facilities to pursue their own work. Where nature makes natural allies of us all, we can demonstrate that beneficial relations are possible even with those with whom we most deeply disagree — and this must some day be the basis of world peace and law.

I have commented on the state of the domestic economy, our balance of payments, our Federal and social budget and the state of the world. I would like to conclude with a few remarks about the state of the executive branch. We have found it full of honest and useful public servants—but their capacity to act decisively at the exact time action is needed has too often been muffled in the morass of committees, timidities and fictitious theories which have created a growing gap between decision and executive, between planning and reality. In a time of rapidly deteriorating situations at home and especially abroad, this is bad for the public service and particularly bad for the country; and we mean to make a change.

I here pledge myself and my colleagues in the cabinet to a continuous encouragement of initiative, responsibility and energy in serving the public interest. Let every public servant know, whether his post is high or low, that a man's rank and reputation in this administration will be determined by the size of the job he does, and not by the size of his staff, his office or his budget. Let it be clear that this administration recognizes the value of daring and dissent — that we greet healthy controversy as the hallmark of healthy change. Let the public service be a proud and lively career. And let every man and woman who works in any area of our national government, in any branch, at any level, be able to say with pride and honor in future years: "I served the United States Government in that hour of our nation's need."

For only through complete dedication by us all to the national interest can we bring our country through the troubled years that lie ahead. Our problems are critical. The tide is unfavorable. The news will be worse before it is better. And while hoping for the best, we should prepare ourselves for the worst.

"No Easy Life"

We cannot escape our dangers—neither must we let them drive us to panic or narrow isolation. In many areas of the world where the balance of power already rests with our adversary, the forces of freedom are sharply divided. It is one of the ironies of our time that the techniques of a harsh and repressive system should be able to instill discipline and ardor in its servants—while the blessings of liberty have too often stood for privilege, materialism and a life of ease.

But I have a different view of liberty.

Life in 1961 will not be easy. Wishing it, predicting it, will not make it so. There will be further setbacks before the tide is turned. But turn it we must. The hopes of all mankind rest upon us—not simply upon those of us in this chamber, but upon the peasant in Laos, the fisherman in Nigeria, the exile from Cuba, the spirit that moves every man and nation who shares our hopes for freedom and the future. And in the final analysis, they rest most of all upon the pride and perseverance of our fellow American citizens.

Hornblower & Weeks Adds

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Jack C. Kern has been added to the staff of Hornblower & Weeks, Union Commerce Building.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	Feb. 5	50.0	51.5	46.5	Not. Avail.
Equivalent to—					
Steel ingots and castings (net tons)	Feb. 5	1,466,000	1,499,000	1,361,000	2,683,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Jan. 20	7,215,510	7,150,760	7,139,310	7,129,117
Crude runs to stills—daily average (bbls.)	Jan. 20	8,357,000	8,342,000	8,003,000	8,227,000
Gasoline output (bbls.)	Jan. 20	28,902,000	29,158,000	29,199,000	28,753,000
Kerosene output (bbls.)	Jan. 20	3,319,000	3,097,000	2,908,000	2,943,000
Distillate fuel oil output (bbls.)	Jan. 20	14,819,000	14,542,000	13,437,000	13,644,000
Residual fuel oil output (bbls.)	Jan. 20	6,306,000	6,584,000	6,377,000	6,596,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Jan. 20	204,767,000	200,269,000	191,323,000	199,905,000
Kerosene (bbls.) at	Jan. 20	28,826,000	29,546,000	32,020,000	25,866,000
Distillate fuel oil (bbls.) at	Jan. 20	123,226,000	127,567,000	150,239,000	132,638,000
Residual fuel oil (bbls.) at	Jan. 20	45,235,000	45,290,000	46,891,000	50,089,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Jan. 21	490,049	516,210	467,978	587,407
Revenue freight received from connections (no. of cars)	Jan. 21	455,675	466,909	435,227	552,403
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Jan. 26	$269,200,000	$359,800,000	$299,500,000	$245,200,000
Private construction	Jan. 26	129,000,000	174,400,000	83,300,000	139,900,000
Public construction	Jan. 26	140,200,000	185,400,000	216,200,000	105,300,000
State and municipal	Jan. 26	87,000,000	156,600,000	159,000,000	81,900,000
Federal	Jan. 26	53,200,000	28,800,000	57,200,000	23,400,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Jan. 21	7,080,000	*7,825,000	7,550,000	8,650,000
Pennsylvania anthracite (tons)	Jan. 21	412,000	429,000	422,000	364,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Jan. 21	107	129	319	113
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Jan. 28	15,361,000	14,817,000	13,956,000	14,417,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Jan. 26	400	340	276	281
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Jan. 23	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Jan. 23	$66.44	$66.44	$66.32	$66.41
Scrap steel (per gross ton)	Jan. 23	$31.50	$31.50	$28.50	$42.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Jan. 25	28.600c	28.600c	29.600c	33.750c
Export refinery at	Jan. 25	26.700c	26.450c	28.025c	31.925c
Lead (New York) at	Jan. 25	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	Jan. 25	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	Jan. 25	12.000c	12.000c	12.500c	13.500c
Zinc (East St. Louis) at	Jan. 25	11.500c	11.500c	12.000c	13.000c
Aluminum (primary pig, 99.5%) at	Jan. 25	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	Jan. 25	100.375c	100.750c	100.500c	100.500c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Jan. 31	87.65	87.15	88.61	81.92
Average corporate	Jan. 31	87.05	86.78	86.51	83.28
Aaa	Jan. 31	91.62	91.34	90.91	87.45
Aa	Jan. 31	89.37	89.23	88.81	85.20
A	Jan. 31	86.51	86.38	85.85	83.03
Baa	Jan. 31	81.05	80.93	81.05	78.09
Railroad Group	Jan. 31	84.17	83.91	83.79	81.17
Public Utilities Group	Jan. 31	88.13	87.86	87.86	83.15
Industrials Group	Jan. 31	88.95	88.67	88.13	85.72
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Jan. 31	3.83	3.88	3.71	4.38
Average corporate	Jan. 31	4.63	4.65	4.67	4.92
Aaa	Jan. 31	4.30	4.32	4.35	4.60
Aa	Jan. 31	4.46	4.47	4.50	4.77
A	Jan. 31	4.67	4.68	4.72	4.94
Baa	Jan. 31	5.10	5.11	5.10	5.35
Railroad Group	Jan. 31	4.85	4.87	4.88	5.09
Public Utilities Group	Jan. 31	4.55	4.57	4.57	4.93
Industrials Group	Jan. 31	4.49	4.51	4.55	4.73
MOODY'S COMMODITY INDEX	Jan. 31	362.4	360.7	356.4	379.7
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Jan. 21	297,119	294,387	254,950	331,705
Production (tons)	Jan. 21	310,328	305,418	285,977	322,114
Percentage of activity	Jan. 21	90	92	86	95
Unfilled orders (tons) at end of period	Jan. 21	388,200	399,021	305,113	459,259
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Jan. 27	110.65	109.64	108.50	111.63
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Jan. 6	2,119,340	2,267,170	2,736,990	2,807,240
Short Sales	Jan. 6	371,430	308,420	482,150	442,530
Other sales	Jan. 6	2,053,600	1,756,390	2,089,270	2,804,110
Total sales	Jan. 6	2,425,030	2,064,810	2,571,420	3,246,640
Other transactions initiated off the floor—					
Total purchases	Jan. 6	272,350	393,490	490,710	416,220
Short Sales	Jan. 6	39,100	28,500	69,200	51,450
Other sales	Jan. 6	327,930	263,750	432,680	471,560
Total sales	Jan. 6	367,030	292,250	501,880	523,010
Other transactions initiated on the floor—					
Total purchases	Jan. 6	938,515	880,761	939,773	852,659
Short Sales	Jan. 6	98,200	67,850	145,000	133,660
Other sales	Jan. 6	888,575	549,844	717,445	872,065
Total sales	Jan. 6	986,775	617,694	862,445	1,005,725
Total round-lot transactions for account of members—					
Total purchases	Jan. 6	3,330,205	3,541,421	4,167,473	4,076,119
Short Sales	Jan. 6	508,730	404,770	696,350	627,640
Other sales	Jan. 6	3,270,105	2,569,984	3,239,395	4,147,735
Total sales	Jan. 6	3,778,835	2,974,754	3,935,745	4,775,375
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Jan. 6	1,638,932	1,541,794	1,675,532	2,569,740
Dollar value	Jan. 6	$80,558,746	$72,605,329	$77,368,043	$131,297,370
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Jan. 6	1,447,324	1,790,807	1,897,746	1,815,624
Customers' short sales	Jan. 6	10,214	5,858	17,164	5,967
Customers' other sales	Jan. 6	1,437,110	1,784,949	1,880,582	1,809,657
Dollar value	Jan. 6	$72,250,807	$72,951,341	$82,188,681	$93,635,457
Round-lot sales by dealers—					
Number of shares—Total sales	Jan. 6	441,740	635,290	670,640	396,400
Short Sales	Jan. 6	------	------	------	------
Other sales	Jan. 6	441,740	635,290	670,640	396,400
Round-lot purchases by dealers—Number of shares	Jan. 6	582,460	383,820	479,770	1,083,970
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short Sales	Jan. 6	622,350	507,600	924,200	709,140
Other sales	Jan. 6	14,379,760	16,320,420	18,050,330	18,171,170
Total sales	Jan. 6	15,002,110	16,828,020	18,974,530	18,880,310
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Jan. 24	119.9	*119.8	119.6	119.5
Farm products	Jan. 24	89.8	*89.7	89.7	88.3
Processed foods	Jan. 24	109.9	*109.7	109.5	105.8
Meats	Jan. 24	97.7	97.3	97.6	91.7
All commodities other than farm and foods	Jan. 24	128.1	*128.1	127.9	128.6

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of December (in millions):			
Total new construction	4,363	4,774	4,410
Private construction	3,149	3,398	3,247
Residential buildings (nonfarm)	1,739	1,885	1,901
New dwelling units	1,305	1,398	1,508
Additions and alterations	344	400	322
Nonhousekeeping	90	87	71
Nonresidential buildings	872	923	805
Industrial	265	263	216
Commercial	357	382	340
Office buildings and warehouses	178	189	170
Stores, restaurants, and garages	179	193	170
Other nonresidential buildings	250	278	249
Religious	73	94	83
Educational	52	54	46
Hospital and institutional	52	52	49
Social and recreational	53	58	49
Miscellaneous	20	20	22
Farm construction	89	100	104
Public utilities	426	463	415
Telephone and telegraph	86	92	85
Other public utilities	340	371	330
All other private	23	27	22
Public construction	1,214	1,376	1,163
Residential buildings	58	59	60
Nonresidential buildings	386	404	326
Industrial	34	37	33
Educational	235	239	192
Hospital and institutional	31	33	31
Administrative and service	45	50	36
Other nonresidential buildings	41	45	34
Military facilities	113	125	110
Highways	402	487	418
Sewer and water systems	113	119	115
Sewer	64	67	72
Water	49	52	43
Public service enterprises	43	55	37
Conservation and development	79	106	84
All other public	20	21	13
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of Nov. 30:			
Total consumer credit	$54,626	*$54,344	*$50,503
Instalment credit	42,703	*42,591	*39,024
Automobile	17,967	*17,992	*16,633
Other consumer goods	10,715	*10,625	*9,864
Repairs and modernization loans	3,020	*3,013	*2,754
Personal loans	11,001	*10,961	*9,773
Noninstallment credit	11,923	*11,753	*11,479
Single payment loans	4,301	*4,272	*4,089
Charge accounts	4,463	*4,370	*4,459
Service credit	3,159	*3,111	*2,931
COTTON AND LINTERS — DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed month of November	620,753	641,018	698,593
In consuming establishments as of Nov. 26	1,282,424	1,053,326	1,263,565
In public storage as of Nov. 26	12,161,149	10,010,550	14,235,545
Linters—Consumed month of November	92,948	100,540	108,074
Stocks—Nov. 26	530,151	449,160	557,933
Cotton spindles active as of Nov. 26	17,507,000	17,618,000	17,696,000
COTTON GINNING (DEPT. OF COMMERCE):			
To Jan. 16	14,075,293	------	14,362,581
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on Nov. 26	19,951,000	19,958,000	20,317,000
Spinning spindles active on Nov. 26	17,507,000	17,618,000	17,696,000
Active spindle hours (000's omitted) Nov. 26	8,178,000	8,464,000	9,051,000
Active spindle hrs. for spindles in place Nov.	408.9	423.2	452.6
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of December:			
All manufacturing (production workers)	11,777,000	*12,052,000	12,466,000
Durable goods	6,649,000	*6,797,000	7,173,000
Nondurable goods	5,128,000	*5,255,000	5,293,000
Employment indexes (1947-49 Avg. = 100)—			
All manufacturing	95.2	*97.4	100.8
Payroll indexes (1947-49 Avg. = 100)—			
All manufacturing	161.9	*165.9	175.4
Estimated number of employees in manufacturing industries—			
All manufacturing	15,846,000	*16,134,000	16,484,000
Durable goods	9,081,000	*9,241,000	9,577,000
Nondurable goods	6,765,000	*6,893,000	6,907,000
NEW YORK STOCK EXCHANGE—			
As of Dec. 30 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$3,317,000	$3,240,000	$3,430,000
Credit extended to customers	95,000	99,000	150,000
Cash on hand and in banks in U. S.	390,000	*380,000	375,000
Total of customers' free credit balances	1,135,000	1,062,000	996,000
Market value of listed bonds	108,256,818	106,289,021	105,422,055
Market value of listed shares	306,967,079	292,991,130	307,707,698
Member borrowings on U. S. Govt. issues	825,000	669,000	453,000
Member borrowings on other collateral	2,334,000	2,321,000	2,529,000
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of December (in billions):			
Total personal income	406.7	409.0	393.9
Wage and salary receipts, total	271.1	273.6	265.0
Commodity producing industries	107.0	109.5	110.4
Manufacturing only	84.6	86.2	87.6
Distributing industries	72.5	72.5	69.4
Service industries	41.9	42.0	39.1
Government	49.7	49.6	46.1
Other labor income	11.0	11.1	10.5
Business and professional	35.8	35.9	35.2
Farm	12.9	12.9	12.3
Rental income of persons	12.5	12.5	12.5
Dividends	14.0	14.1	13.6
Personal interest income	27.7	27.6	24.8
Transfer payments	30.8	30.5	27.9
Less employees' contribution for social insurance	9.2	9.2	8.0
Total nonagricultural income	389.9	392.1	377.0
U. S. GOVT. STATUTORY DEBT LIMITATION—As of Dec. 30 (000's omitted):			
Total face amount that may be outstanding at any time	$293,000,000	$293,000,000	$295,000,000
Outstanding—			
Total gross public debt	290,216,815	290,414,993	290,797,771
Guaranteed obligations not owned by the Treasury	155,938	153,056	127,146
Total gross public debt and guaranteed obligations	$290,372,753	$290,567,171	$290,924,917
Deduct—Other outstanding public debt obligations not subject to debt limitation	401,555	401,984	411,673
Grand total outstanding	$289,971,198	$290,165,187	$290,513,244
Balance face amount of obligations issuable under above authority	3,028,801	2,834,812	4,486,755

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

★ Accesso Corp.
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

Acme Missiles & Construction Corp. (2/15)
Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price** — To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office** — 43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None.

ACR Electronics Corp.
Sept. 28, 1960 filed 150,000 shares of common stock, 75,000 series I common stock purchase warrants, and 75,000 series II common stock purchase warrants, to be offered in units, each unit to consist of two common shares, one series I 5-year purchase warrant, and one 5-year series II warrant. Warrants are exercisable initially at $2 per share. **Price**—To be supplied by amendment. **Proceeds** — For salaries of additional personnel, liquidation of debt, research, and the balance for working capital. **Office**—551 W. 22nd Street, New York City. **Underwriter**—Robert Edelstein Co., Inc., New York City.

A-Drive Auto Leasing System, Inc.
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing). **Offering**—Expected in early March.

Advanced Investment Management Corp.
Jan. 13,1961 filed 300,000 shares of common stock. **Price** —$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

Aerosol Techniques, Inc. (2/20-24)
Dec. 28, 1960 filed 125,000 shares of common stock. **Price** —$4 per share. **Business** — The company manufactures and packages cosmetic, household, industrial, pharmaceutical, medicinal, dental and veterinary aerosol products for other concerns for sale by them under their own brand names. **Proceeds**—For working capital. **Office**—111 Stilliman Ave., Bridgeport, Conn. **Underwriter** — Michael G. Kletz & Co., Inc., New York City (managing).

• Aerosonic Corp. (2/6-10)
Jan. 13, 1961 (letter of notification) 62,300 shares of common stock (par 10 cents). **Price** — $2.20 per share. **Proceeds**—To go to selling stockholders. **Address**—Clearwater, Fla. **Underwriters**—French & Crawford, Inc., Atlanta, Ga.; Powell, Kistler & Co., Fayetteville, N. C.; Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.; Courts & Co., and Clement A. Evans & Co., Inc., Atlanta, Ga.

Alaska Creamery Products, Inc.
Dec . 19, 1960 (letter of notification) 130,000 shares of common stock (par $1). **Price**—$2.25 per share. **Proceeds** —To purchase equipment, and other necessary materials for distribution of dairy products. **Address**—Anchorage, Alaska. **Underwriter**—Paul Nichols Co., Inc., Anchorage, Alaska.

• Albee Homes, Inc.
Jan. 24, 1961 filed 172,500 shares of common stock. **Price** —To be supplied by amendment. **Business**—The sale of pre-cut packaged home building materials. **Proceeds**—To be used by the company's wholly-owned subsidiary to finance future credit sales. **Office**—931 Summit St., Niles, O. **Underwriter**—G. H. Walker & Co., New York City (managing). **Offering**—Expected in early March.

• Alkon Industries, Inc. (2/6-10)
Dec. 29, 1960 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price** — $5 per share. **Business**—General construction. **Proceeds**—For working capital and general corporate purposes. **Office**—400 Morris Avenue, Long Branch, N. J. **Underwriter**—Meade & Co., New York, N. Y.

All American Engineering Co.
Sept. 27, 1960 filed 85,918 shares of common stock (par 10 cents), to be offered to holders of the outstanding common of record Nov. 22 on the basis of one new share for each four shares held. **Price** — To be supplied by amendment. **Business**—The firm is engaged primarily, under government-sponsored contracts, in research, development, and manufacturing activities related to the aircraft, satellite, and missile fields. **Proceeds**—For general corporate purposes. **Office**—Du Pont Airport, Wilmington, Del. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing). **Offering**—Indefinitely postponed.

Allen & Steen Acceptance Co.
Jan. 17, 1961 (letter of notification) $200,000 of 6% sinking fund debentures, 1975 series to be offered in denominations of $1,000 and $500 each. **Price**—At face value. **Proceeds** — For working capital. **Office**—28 S. 8th St., Terre Haute, Ind. **Underwriter** — City Securities Corp., Indianapolis, Ind.

Altamil Corp.
Nov. 30, 1960 filed 251,716 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of large machined structural components and stainless steel sandwich panels for use in military and commercial aircraft and missiles. **Proceeds**—To selling stockholders. **Office**—225 Oregon St., El Segundo, Calif. **Underwriter**—None.

America-Israel Phosphate Co.
Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office** — 82 Beaver Street, New York City. **Underwriter**—Casper Rogers Co., New York City (managing).

American Educational Life Insurance Co.
Dec. 5, 1960 filed 960,000 shares of class A common voting stock (par $1) and 240,000 shares of class B non-voting common stock to be sold in units, each unit to consist of 4 shares of class A stock and one share of class B stock. **Price**—$25 per unit. **Business**—The writing of life insurance and allied lines of insurance. **Proceeds**—For capital and surplus. **Office** — Third National Bank Bldg., Nashville, Tenn. **Underwriter**—Standard American Securities, Inc., Nashville, Tenn.

American Machine & Foundry Co. (2/28)
Jan. 17, 1961 filed $40,500,000 of convertible subordinated debentures, to be offered to common stockholders on the basis of one $100 debenture for each 20 shares of common held of record Feb. 28. Rights expire March 16. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term loans and furnish additional working capital for domestic and foreign expansion. **Office**—261 Madison Avenue, New York 16, N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

★ American Marinas, Inc.
Jan. 25, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business** —To build and operate marinas and to render advisory and management services. **Proceeds**—For general corporate purposes. **Office**—19 Rector Street, New York 6, N. Y. **Underwriter**—None.

• American Molded Fiberglass Co. (3/1)
Dec. 27, 1960 (letter of notification) 37,043 shares of common stock (par 40 cents). **Price**—$4 per share. **Business** — Manufacturers of fiberglass swimming pools, canoes and small trailer bodies and other custom molded fiberglass products. **Proceeds** — For general corporate purposes. **Office** — 40 Lane St., Paterson, N. J. **Underwriter**—Vestal Securities Corp., New York, N. Y.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds** —To be used principally to originate mortgage loans and

Continued on page 35

NEW ISSUE CALENDAR

February 3 (Friday)

Edwards Industries, Inc.______Common
(Joseph Nadler & Co., Inc.) $450,000
Elion Instruments, Inc.______Units
(Warner, Jennings, Mandel & Longstreth) 60,000 units
Freoplex, Inc.______Common
(Alessandrini & Co., Inc. and Laird & Hardy) $300,000
National Equipment Rental, Ltd.______Common
(Offering to stockholders—Burnham & Co.) 136,000 shares
Perry Electronic Components, Inc.______Common
(S. B. Cantor & Co. and Farrell Securities Co.) $300,000
Plastics & Fibers, Inc.______Common
(M. R. Zeller Co.) $300,000
Resisto Chemical, Inc.______Common
(Amos Treat & Co., Inc.) $500,000
Tech-Ohm Electronics, Inc.______Common
(Edward Lewis Co., Inc.) $299,499

February 6 (Monday)

Aerosonic Corp.______Common
(French & Crawford, Inc.; Powell, Kistler & Co.; Clark, Landstreet & Kirkpatrick; Courts & Co. and Clement A. Evans & Co., Inc.) $137,060
Alkon Industries, Inc.______Common
(Meade & Co.) $250,000
Automobile Banking Corp.______Units
(Reynolds & Co., Inc. and Cruttenden, Podesta & Co.) $2,000,000
Bowl-Mor Co., Inc.______Debentures
(Paine, Webber, Jackson & Curtis and Granbery, Marache & Co.) $2,000,000
Consolidated Airborne Systems, Inc.___Class A Stk.
(S. D. Fuller & Co.) 180,000 shares
Digitronics Corp.______Capital
(Granbery, Marache & Co.) 50,000 shares
FWD Corp.______Debentures
(Offering to stockholders—underwritten by A. C. Allyn & Co., Inc.) $300,000
International Electronic Research Corp.___Common
(Schwabacher & Co.) 220,000 shares
International Mosaic Corp.______Common
(B. G. Harris & Co., Inc.) $297,999
Model Finance Service, Inc.______Debentures
(Paul C. Kimball & Co.) $1,000,000
Model Finance Service, Inc.______Preferred
(Paul C. Kimball & Co.) 100,000 shares
Mortgage Guaranty Insurance Corp.______Common
(Bache & Co.) 155,000 shares
Palomar Mortgage Corp.______Debentures
(J. A. Hogle & Co.) $1,100,000
Polysonics, Inc.______Common
(M. H. Meyerson & Co., Ltd.; Karen Securities Corp. and Selected Investors) $210,000
Rajac Self-Service, Inc.______Common
(James Co.) $453,125
Shinn Industries Inc.______Common
(Myron A. Lomasney & Co.) $900,000
Shore-Calnevar, Inc.______Common
(H. Hentz & Co. and Federman, Stonehill & Co.) 200,000 shares
Steel Crest Homes, Inc.______Units
(Marron, Sloss & Co., Inc. and Harrison & Co.) $810,000
Underwater Storage, Inc.______Common
(Searight, Ahalt & O'Connor, Inc.) $300,000

February 7 (Tuesday)

Coburn Credit Co., Inc.______Common
(Brand, Grumet & Seigel, Inc.) $200,000
Consolidated Natural Gas Co.______Debentures
(Bids 11:30 a.m. EST) $45,000,000
Coral Aggregates Corp.______Common
(Peter Morgan & Co. and Robinson & Co., Inc.) $400,000
Geochron Laboratories, Inc.______Common
(Globus Inc. and Ross, Lyon & Co.) 150,000 shares
Illinois Central RR.______Equip. Trust Ctfs.
(Bids 1 p.m. EST) $4,500,000
Lake Superior District Power Co.______Bonds
(Bids 10 a. m. CST) $3,000,000
Lifetime Pools Equipment Corp.______Common
(Pacific Coast Securities Co. and Grant, Fontaine & Co.) $568,750

February 8 (Wednesday)

Business Capital Corp.______Common
(Blunt Ellis & Simmons, Hornblower & Weeks and Cruttenden, Podesta & Co.) $5,000,000
Crumpton Builders, Inc.______Units
(Courts & Co.) 150,000 units
General Foam Corp.______Debentures
(Brand, Grumet & Seigel, Inc.) $550,000
Jouet, Inc.______Common
(Edward H. Stern & Co.) $300,000
Midland-Guardian Co.______Common
(Kidder, Peabody & Co.) 100,000 shares
Super Market Distributors, Inc.______Common
(Clayton Securities Corp.) $1,000,000
Texas Gas Transmission Corp.______Common
(Dillon, Read & Co., Inc.) 300,000 shares

February 9 (Thursday)

TelAutograph Corp.______Common
(Offering to stockholders—underwritten by Baird & Co.; Richard J. Buck & Co. and Chace, Whiteside & Winslow, Inc.)

February 10 (Friday)

Capitol Associated Products, Inc.______Common
(Thompson & Co.) $300,000
Compression Industries Corp.______Common
(I. R. E. Investors Corp.) $250,000
Screen Gems, Inc.______Common
(Offering to stockholders—underwritten by Hemphill, Noyes & Co. and Hallgarten & Co.) 300,000 shares
Telephone & Electronics Corp.______Common
(Equity Securities Co.) $264,900
Town Photolab, Inc.______Common
(Michael G. Kletz & Co.) $500,000

February 14 (Tuesday)

Atlantic Fund for Investment in U. S. Government Securities, Inc.______Common
(Capital Counsellors) $50,000,000

Banner Industries, Inc.________________Units
(Netherlands Securities Co., Inc.) $1,250,000
Berkey Photo Service, Inc.________________Common
(Paine, Webber, Jackson & Curtis) 360,000 shares
Circle Controls Corp.________________Common
(Rodetsky, Kleinzahler, Walker & Co.; L. C. Wegard & Co. and L. D. Sherman & Co.) $285,000
Colorite Plastics, Inc.________________Common
(P. W. Brooks & Co., Inc.) 100,000 shares
Colorite Plastics, Inc.________________Bonds
(P. W. Brooks & Co., Inc.) $900,000
Drexel Equity Fund, Inc.________________Common
(Drexel & Co.) $500,000
Falls Plaza Limited Partnership________________Units
(Hodgdon & Co., Inc. and Investor Service Securities, Inc.)
Gulf Guaranty Land & Title Co.________________Units
(Street & Co.) $1,500,000
International Safflower Corp.________________Common
(Copley & Co.) $300,000
Kleer-Vu Industries, Inc.________________Common
(Paul Eisenberg Co. and Godfrey, Hamilton, Magnus & Co., Inc.) $402,500
Leasing Credit Corp.________________Units
(Edward Lewis & Co., Inc.) $800,000
Maryland Cup Corp.________________Common
(Lehman Brothers) 235,100 shares
Milo Electronics Corp.________________Common
(Myron A. Lomasney & Co.) $750,000
Mohawk Insurance Co.________________Common
(R. F. Dowd & Co., Inc.) $900,000
Monarch Electronics International, Inc.____Common
(Pacific Coast Securities Co.) 200,000 shares
Rixon Electronics, Inc.________________Capital
(Auchincloss, Parker & Redpath) 115,000 shares
Roblin-Seaway Industries, Inc.________________Class A
(Brand, Grumet & Seigel, Inc.) $480,000
Simplex Wire & Cable Co.________________Capital
(Paine, Webber, Jackson & Curtis) 118,000 shares
Southern Co. ________________Common
(Bids 3:45 p. m. EST) 900,000 shares
Stancil-Hoffman Corp. ________________Capital
(Pacific Coast Securities Co.) $300,000
Telescript C. S. P., Inc.________________Common
(Robert A. Martin Associates, Inc.) $300,000
Toledo Plaza Investment Trust____Ben. Trust Ctfs.
(Hodgdon & Co., Inc.) $522,500
U. S. Mfg. & Galvanizing Corp.________________Common
(Armstrong Corp.) $300,000
Westmore, Inc. ________________Common
(Vincent, James & Co., Inc.) $300,000
Wollard Aircraft Service Equipment, Inc._____Com.
(Amos Treat & Co., Inc.) $540,000

February 15 (Wednesday)

Acme Missiles & Construction Corp.______Common
(No underwriting) 30,000 shares
Chesapeake & Potomac Telephone Co.______Bonds
(Bids 11:00 a.m. EST) $20,000,000
Citizens & Southern Capital Corp.______Common
(The Johnson, Lane, Space Corp.; Courts & Co. and Robinson-Humphrey Co., Inc.) $1,650,000
Eastern Bowling Corp.________________Class A
(Schirmer, Atherton & Co.) 150,000 shares
Hydro-Electronics Corp. ________________Common
(Lloyd Securities) $300,000
Jefferson Lake Asbestos Corp.________________Units
(A. G. Edwards & Sons) $3,500,000
Management Assistance Inc.________________Common
(Federman, Stonehill & Co.) $300,000
Patrician Paper Co., Inc.________________Common
(Hill, Darlington & Grimm) 180,000 to 190,000 shares
Puget Sound Power & Light Co.________________Common
(Blyth & Co., Inc.) 326,682 shares
Puget Sound Power & Light Co.________________Bonds
(Blyth & Co., Inc.) $15,000,000

Tip Top Products Co.________________Common
(J. Cliff Rahel & Co. and First Trust Co. of Lincoln) 60,000 shares
West Texas Utilities Co.________________Bonds
(Bids 10:30 a.m. CST) $6,000,000

February 20 (Monday)

Aerosol Techniques, Inc.________________Common
(Michael G. Kletz & Co., Inc.) $500,000
Canaveral International Corp.________________Common
(Underwriter to be named)
Golden Crest Records, Inc.________________Common
(Dean Samitas & Co., Inc. and Valley Forge Securities Co., Inc.) $255,000
Grayway Precision, Inc.________________Common
(Harrison & Co. and Marron, Sloss & Co. Inc.) $300,000
Jonker Business Machines, Inc.________________Units
(Hodgdon & Co., Inc.) 50,000 units
Solite Products Corp.________________Units
(William, David & Motti, Inc.) $225,000
Storer Broadcasting Co.________________Common
(Reynolds & Co., Inc.) 263,000 shares
Vector Industries, Inc.________________Common
(Plymouth Securities Corp.) $300,000
Whippany Paper Board Co., Inc.________Common
(Van Alstyne, Noel & Co.) 250,000 shares

February 23 (Thursday)

American Telephone & Telegraph Co.____Common
(No underwriting) 11,225,000 shares
General Bowling Corp.________________Common
(P. J. Gruber & Co.; McMahon, Lichtenfeld & Co.; and T. M. Kirsch & Co.) $500,000
Photo Service, Inc.________________Common
(Cruttenden, Podesta & Co.) 162,500 shares

February 24 (Friday)

Dixie Natural Gas Corp.________________Common
(Vestal Securities Corp.) $300,000

February 27 (Monday)

Greenfield Real Estate Investment Trust__Ben. Int.
(Drexel & Co.) 500,000 shares
Ilikon Corp. ________________Common
(Myron A. Lomasney & Co.) $375,000
Invesco Collateral Corp.________________Units
(No underwriting) $777,300
Progress Webster Electronics Corp.______Common
(Marron, Sloss & Co., Inc.) $675,000
Radar Measurements Corp.________________Common
(Blaha & Co., Inc.) $299,950
Renwell Electronics Corp. of Delaware___Common
(William David & Motti, Inc.) $400,000
Techmation Corp. ________________Common
(First Philadelphia Corp.) $175,000
United Boatbuilders, Inc.________________Common
(Birr & Co., Inc. and Marron, Sloss & Co., Inc.) 100,000 shares
Wometco Enterprises, Inc.________________Stock
(Lee Higginson Corp. and A. C. Allyn & Co., Inc.) 100,000 shares

February 28 (Tuesday)

Fund of America, Inc.________________Common
(Ladenburg, Thalmann & Co. and Minis & Co., Inc.) $5,000,000
Great Northern Ry.____________Equip. Trust Ctfs.
(Bids noon EST) $5,100,000

March 1 (Wednesday)

American Molded Fiberglass Co.__________Common
(Vestal Securities Corp.) $148,172
Dodge Wire Corp.________________Common
(Plymouth Securities Corp.) $600,000
Ram Electronics, Inc.________________Common
(Plymouth Securities Corp.) $300,000

Search Investments Corp.________________Common
(No underwriting) $1,000,000

March 6 (Monday)

Eastern Can Co., Inc.________________Class A Stock
(Milton D. Blauner & Co., Inc.) $1,400,000
Sunset Color Laboratories, Inc.__________Common
(Jacey Securities Co.) $180,000
Swiss Chalet, Inc.________________Units
(P. W. Brooks & Co., Inc. and Compania Financiera de Inversiones, Inc.) $1,150,000
Wyle Laboratories ________________Common
(Kidder, Peabody & Co. and Mitchum, Jones & Templeton) 110,000 shares

March 7 (Tuesday)

Louisville & Nashville RR.______Equip. Trust Ctfs.
(Bids noon EST) $7,755,000

March 8 (Wednesday)

Leaseway Transportation Corp.__________Common
(Hayden, Stone & Co.) 150,000 shares
Marley Co. ________________Common
(White, Weld & Co., Inc.) 100,996 shares

March 21 (Tuesday)

Southern Bell Telephone & Telegraph Co.__Debens.
(Bids to be received) $70,000,000

March 23 (Thursday)

Alabama Power Co.________________Preferred
(Bids 11 a.m. EST) $8,000,000
Alabama Power Co.________________Bonds
(Bids 11 a.m. EST) $13,000,000

April 4 (Tuesday)

Southern California Edison Co.____________Bonds
(Bids 8:30 a.m. PST) $30,000,000

April 20 (Thursday)

Orange & Rockland Utilities, Inc.__________Bonds
(Bids to be received) $12,000,000

May 25 (Thursday)

New Orleans Public Service, Inc.__________Bonds
(Bids to be received) $15,000,000

June 13 (Tuesday)

Virginia Electric & Power Co.____________Bonds
(Bids 11 a.m. EST) $30,000,000 to $35,000,000

June 15 (Thursday)

Southern Electric Generating Co.__________Bonds
(Bids 11 a.m. EST) $27,000,000

September 28 (Thursday)

Mississippi Power Co. ________________Bonds
(Bids to be received) $5,000,000
Mississippi Power Co.________________Preferred
(Bids to be received) $5,000,000

October 18 (Wednesday)

Georgia Power Co.________________Bonds
(Bids to be received) $15,500,000
Georgia Power Co.________________Preferred
(Bids to be received) $8,000,000

December 7 (Thursday)

Gulf Power Co.________________Bonds
(Bids to be received) $5,000,000

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carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

★ American Realty Shares Limited Corp.
Jan. 30, 1961 filed 100,000 "participation shares." **Price**—$20 per share. **Business** — The registration statement relates to shares of participation in the profits and losses of American Realty Shares, a limited partnership which is engaged in the real estate business. **Proceeds**—For the acquisition of real properties or other investments. **Office**—140 West 72nd Street, New York City. **Underwriter**—American Realty Shares Sales Corp., New York City.

● American & St. Lawrence Seaway Land Co., Inc.
Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—60 E. 42nd Street, New York 17, N. Y. **Underwriter** — None. **Offering**—Imminent.

★ American Sentinel Life Insurance Co.
Jan. 20, 1961 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$6 per share. **Proceeds**—To operate an insurance company. **Office**—309 Security Federal Building, Columbia, S. C. **Underwriter**—None.

★ American Telephone & Telegraph Co. (2/23)
Jan. 27, 1961 filed 11,225,000 shares of capital stock to be offered for subscription by stockholders on the basis of one new share for each 20 shares held of record Feb. 23, with rights to expire April 14. **Price**—To be supplied by amendment. However, the company stated that the price is expected to be somewhat below the market price of outstanding shares at the time of the offering. **Proceeds**—For advances to subsidiaries, for the purchase of stock offered for subscription by such companies, for expansion of its own facilities and for general corporate purposes. **Office**—195 Broadway, New York City. **Underwriter**—None.

Apco Oil Corp.
Jan. 13, 1961 filed $10,102,100 of subordinated debentures, due April 1, 1981 and 505,105 shares of common stock to be offered for subscription by holders of class A and class B stock of Union Texas Natural Gas Corp., in units consisting of one $100 debenture and five common shares on the basis of one unit for each 70 shares of class A and/or class B stock of Union Texas. **Price**—To be supplied by amendment. **Business** — The company was organized under Delaware law on Aug. 15, 1960 and later entered into an agreement with Union Texas and others to purchase the properties of Anderson-Prichard Oil Corp., for a total of $25,200,000 plus its share of Anderson-Prichard liabilities. **Proceeds**—The company will use the proceeds, together with $12,000,000 to be borrowed from banks, to purchase the business and properties of Anderson-Prichard. **Office**—811 Rusk Avenue, Houston, Texas. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Smith, Barney & Co., both of New York City. **Offering**—Expected sometime in March.

Associated Traffic Clubs Insurance Corp.
Dec. 5, 1960, filed 250,000 shares of common stock (par 80c), to be sold to the Associated Traffic Clubs of America and their members. **Price**—$2 per share. **Business**—Provides insurance coverage to the members of the above club. **Proceeds**—To be added to surplus to maintain it at the amount required by law and to carry on and further develop the business of the company. **Office**—900 Market St., Wilmington, Del. **Underwriter**—A. T. Brod & Co., New York, N. Y. **Offering** — Expected in early February.

Atlantic Fund for Investment in U. S. Government Securities, Inc. (2/14-17)
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

● Automation Development, Inc.
Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). **Price**—$3.75 per share. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York, N. Y. **Offering**—Expected in late February.

● Automation Laboratories, Inc.
Jan. 26, 1961 (letter of notification) 66,700 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company is engaged in the research and development of infra-red devices used for the alignment of ballistic missiles and space vehicles, for automatic positioning of machinery operations and for geodetic surveys. **Offices** — 80 Urban Ave., Westbury, and 179 Liberty Ave., Mineola, N. Y. **Underwriter**—Sandkuhl and Co., Newark, N. J., and New York City. **Offering**—Expected in late February.

● Automobile Banking Corp. (2/6-10)
Dec. 27, 1960, filed $2,000,000 of capital debentures and attached warrants to be offered for public sale in units consisting of one $1,000 debenture and a 10-year warrant to purchase 50 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The financing of instalment sales for automobile dealers. **Proceeds**—To retire outstanding 5½% capital convertible debentures and for expansion. **Office**—6 Penn Center Plaza, Philadelphia, Pa. **Underwriters**—Reynolds & Co., Inc., New York and Cruttenden, Podesta & Co., Chicago (managing).

● Baldwin Enclosures, Inc.
Dec. 27, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of elevator cabs for apartment houses and office buildings. **Proceeds**—For general corporate purposes. **Office**—59-33 55th St., Maspeth, N. Y. **Underwriter**—Acme Securities Corp., New York, N. Y.

Bal-Tex Oil Co.
Dec. 22, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil and gas properties. **Office** — First National Bank Building, Denver, Colo. **Underwriter**—Equity General Investment Corp., First National Bank Building, Denver, Colo.

● Banner Industries, Inc. (2/14-17)
Dec. 6, 1960 filed 250,000 shares of common stock (par 10c) 125,000 warrants for the purchase of a like number of common shares and 125,000 common shares underlying the warrants. Offering will be made in units, each

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unit to consist of two shares of common stock and one warrant for the purchase of one share at $6 per share to May 1, 1962. **Price**—$10 per unit. **Proceeds**—$200,000 will be used to expand the company's imports from Europe and Japan and the balance will be used for additional working capital. **Office**—1311 South 39th St., St. Louis, Mo. **Underwriter**—Netherlands Securities Co., Inc., New York City.

Baruch (R.) & Co.
Sept. 20, 1960 (letter of notification) 100,000 shares of common stock (par 75 cents). **Price** — $2 per share. **Business**—The issuer is a broker-dealer with the SEC, and a member of the NASD. **Proceeds**—To take positions and maintain markets in securities, participate in underwritings, and the balance for working capital. **Office**—1518 K St., N. W., Washington, D. C. **Underwriter**—Same.

Benbow Astronautics, Inc.
Jan. 18, 1961 (letter of notification) 100,000 shares of class A stock (par 5 cents). **Price**—$3 per share. **Business** — The company supplies the missile and aircraft industries with hydraulic valves and regulators and related mechanical components. **Proceeds**—For additional working capital and for research and development in the fields of cryogenics and high temperature pneumatic systems. **Office**—Culver City, Calif. **Underwriter**—Edward Hindley & Co., 99 Wall St., New York City (managing). **Offering**—Expected in mid-February.

● **Berkey Photo Service, Inc. (2/14-17)**
Dec. 28, 1960 filed 360,000 shares of common stock of which 80,000 shares will be offered for the account of company and 280,000 shares for the account of selling stockholders. **Price** — To be supplied by amendment. **Business**—Photo-processing. **Proceeds**—For general corporate purposes. **Office**—77 East 13th Street, New York City. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Bicor Automation Industries, Inc.
Jan. 23, 1961 filed 110,000 shares of class A common stock. **Price**—$4 per share. **Business**—The company was organized in December, 1960, to acquire all the capital stock of four corporations in Fairview, N. J., whose principal business is the importation and sale of embroidery manufacturing machinery. **Proceeds**—For new equipment and working capital. **Office** — 333 Bergen Boulevard, Fairview, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York City.

Boonton Electronics Corp.
Dec. 23, 1960 filed 60,000 shares of common stock plus attached warrants, to be offered for public sale in units consisting of one common share and one-half of a two-year warrant. One full warrant will be required to purchase one share at $5.50 per share during the first year and $6.50 per share the second year. **Price**—$5.50 per unit. **Business**—The design and manufacture of precision electronic measuring equipment. **Proceeds**—For expansion, advertising and sales promotion and for research and development. **Office**—738 Speedwell Avenue, Morris Plains, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City. **Offering**—Expected in early March.

Bowling & Construction Corp.
Nov. 28, 1960 filed 120,000 shares of class A common stock. **Price**—$5 per share. **Business**—The building, leasing and operation of bowling centers. **Proceeds** — For working capital. **Office**—26 Broadway, New York, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., New York City (managing). **Offering**—Expected sometime in February.

● **Bowl-Mor Co., Inc. (2/6-10)**
Oct. 28, 1960 filed $2,000,000 of 6% convertible subordinated debentures due Feb. 15, 1976. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—Newtown Road, Littleton, Mass. **Underwriters**—Paine, Webber, Jackson & Curtis and Granbery, Marache & Co., both of New York City (managing).

● **Business Capital Corp. (2/8)**
Dec. 19, 1960 filed 500,000 shares of common stock. **Price**—$10 per share. **Business**—A closed-end, non-diversified management investment company licensed under the Small Business Investment Act. **Proceeds**—For general business purposes. **Office**—728 West Roosevelt Road, Chicago. **Underwriters**—Blunt Ellis & Simmons, Chicago, Hornblower & Weeks, New York City and Cruttenden, Podesta & Co., Chicago (managing).

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

Canadian Superior Oil of California, Ltd.
Jan 5, 1961 filed 1,200,000 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 3.75 shares held. **Price**—$9 (U. S.) and $8.75 (Can.) per share. **Proceeds**—To repay debts. **Office** — 703 Sixth Avenue, South West, Calgary, Alberta. **Underwriter**—None.

● **Canaveral International Corp. (2/20-24)**
Aug. 12, 1960 filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Land sales and development. **Proceeds**—$150,000 for accounts payable, $335,000 for mortgage and interest payments, $250,000 for advertising, $250,000 for development costs and $290,000 for general working capital. **Office**—1766 Bay Road, Miami Beach, Fla. **Underwriter**—To be named.

● **Canterbury Fund, Inc.**
Dec. 29, 1960 filed 150,000 shares of capital stock. **Price**—To be supplied by amendment. **Business** — The fund has been organized to serve principally investment clients of Fiduciary Counsel, Inc., and its subsidiary, The Estate Planning Corp. **Proceeds**—For investment. **Office**—55 Green Village Rd., Madison, N. J. **Underwriter**—Estate Planning Corp. **Offering**—Expected in late February to early March.

● **Capitol Associated Products, Inc. (2/10)**
Dec. 22, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expansion, machinery and for working capital. **Office**—539 E. Main Street, Waterbury, Conn. **Underwriter**—Thompson & Co., New York, N. Y.

Caribbean & Southeastern Development Corp.
Sept. 28, 1960 filed 140,000 shares of common stock. **Price**—$5.25 per share. **Proceeds**—For investment in land in the Caribbean area, development of a site in Atlanta, Ga., and the balance for general corporate purposes. **Office**—4358 Northside Drive, N. W., Atlanta, Ga. **Underwriter**—To be supplied by amendment.

★ **Central Hadley Corp.**
Jan. 27, 1961 filed 41,829 outstanding shares of 5% cumulative convertible preferred stock (par $10), and 481,450 outstanding common shares. **Business**—A holding company with three wholly owned subsidiaries; B. H. Hadley, Inc., which designs, develops, tests and manufactures precision components for fluid control and regulation systems for the missile industry; Stellardyne Laboratories, Inc., which sells testing and cleaning services to the missile industry; and Central Explorers Co., which owns oil leases and develops the leases. **Proceeds**—To the selling stockholders. **Office**—596 North Park Avenue, Pomona, Calif. **Underwriter**—None.

★ **Chalco Engineering Corp.**
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

● **Chemical Contour Corp.**
Jan. 19, 1961 (letter of notification) 100,000 shares of capital stock (no par). **Price**—$3 per share. **Proceeds**—For additional facilities, acquisition of outstanding stock of Organo-Cerams, Inc. and for working capital. **Office**—16627 S. Avalon Blvd., Gardena, Calif. **Underwriter**—D. A. Lomasney & Co., New York, N. Y. **Offering**—Expected in mid-February.

Chemsol, Inc.
Jan. 16, 1961 filed 200,000 shares of common stock. **Price**—$3 per share. **Business**—The company and its wholly-owned subsidiary, Chemline Corp., buy, sell and refine by-products of the chemical and petrochemical industries, manufacture and sell lime, and reprocess used thermoplastic resins. **Proceeds** — For construction, new equipment and general corporate purposes. **Office**—74 Dod Street, Elizabeth, N. J. **Underwriter** — Godfrey, Hamilton, Magnus & Co., New York City (managing). **Offering**—Expected in late February.

Chesapeake & Potomac Telephone Co. (2/15)
Jan. 23, 1961 filed $20,000,000 of 37-year debentures due Feb. 1, 1998. **Proceeds**—To be applied toward repayment of advances received from American Telephone & Telegraph Co., parent. **Office** — 930 H Street, N. W., Washington, D. C. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Morgan Stanley & Co.; White, Weld & Co. **Bids**—To be received in Room 2315, 195 Broadway, New York, N. Y. on Feb. 15 at 11 a.m. (EST). **Information Meeting**—Scheduled for Feb. 9 at 2:30 p.m. (EST) in Room 1900, 195 Broadway, New York, N. Y.

● **Circle Controls Corp. (2/14)**
Oct. 28, 1960 (letter of notification) 95,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business** — Manufacture and rebuilding of electronic, electro-mechanical and mechanical controls. **Proceeds**—For general corporate purposes and working capital. **Office**—204 S. W. Boulevard, Vineland, N. J. **Underwriters**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; L. C. Wegard & Co., Trenton, N. J. and L. D. Sherman & Co., New York, N. Y.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Citizens Acceptance Corp.
Dec. 29, 1960 filed $500,000 principal amount of series G 6% five year subordinated debentures. **Price** — At 100% of principal or in exchange for outstanding debentures. **Business**—General finance company. **Proceeds**—To increase working capital and to retire outstanding debentures as they mature. **Office**—Georgetown, Del. **Underwriter**—None.

● **Citizens & Southern Capital Corp. (2/15)**
Dec. 21, 1960, filed 300,000 shares of common stock. **Price**—$5.50 per share. **Business**—A small business investment company and a subsidiary of Citizens & Southern National Bank of Atlanta. **Proceeds**—For investment. **Office**—Marietta and Broad Streets, Atlanta, Ga. **Underwriters** — The Johnson, Lane, Space Corp., Savannah; Courts & Co. and Robinson-Humphrey Co. Inc., Atlanta (managing).

★ **Coastal Dynamics Corp.**
Jan. 30, 1961 filed 125,000 shares of class A stock. **Price** — $3 per share. **Business** — The company (formerly Coastal Manufacturing Corp.) merged with Wesco Plastic Products, Inc., and is principally engaged in the development, manufacture and sale of edge-lighted instrument and control panels for use in the aircraft, missile and electronic industries. **Proceeds** — For new equipment; payment of debts; to increase inventory of electronic component parts; and for working capital. **Office**—219 Rose Avenue, Venice, Calif. **Underwriter** — V. K. Osborne & Sons, Inc., Beverly Hills, Calif. (managing).

● **Coburn Credit Co., Inc. (2/7-8)**
Nov. 18, 1960 filed 50,000 shares of common stock (par value $1). **Price**—$4 per share. **Business**—Consumer sales finance business. **Proceeds**—For general corporate purposes. **Office**—53 N. Park Avenue, Rockville Centre, N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc., New York, N. Y.

★ **Colber Corp.**
Jan. 26, 1961 (letter of notification) 100,000 shares of common stock (par 20 cents). **Price**—$3 per share. **Business** — Toy manufacturers. **Proceeds** — For purchase of machinery and equipment, leasehold improvements and for working capital. **Office** — 26 Buffington Street, Irvington, N. J. **Underwriter**—Richard Bruce & Co., Inc., 80 Pine Street, New York 5, N. Y.

★ **Colonial Mortgage Service Co.**
Jan. 31, 1961 filed 100,000 shares of common stock (par $1). **Price**—$8 per share. **Office**—141 Garrett Rd., Upper Darby, Pa. **Underwriters**—Drexel & Co., and Stroud & Co., both of Philadelphia, Pa. (jointly). **Offering**—Expected in early April.

● **Colorite Plastics, Inc. (2/14-17)**
Dec. 22, 1960 filed $900,000 principal amount of first mortgage bonds, 6½% series, due 1976 (with detachable common stock purchase warrants) and 100,000 shares of common stock. **Price**—For the bonds: 100% of face amount plus accrued interest. For the stock: To be supplied by amendment. **Business**—The manufacture of plastic garden hose, tubes, rods, strips, gaskets, and related items. **Proceeds**—To purchase land, buildings and equipment and for working capital. **Office**—50 California Ave., Paterson, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Commerce Oil Refining Corp.
Dec. 16, 1958 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price** — To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

Commonwealth International & General Fund, Inc.
Dec. 19, 1960, filed 400,000 shares of common capital stock. **Price**—$12.50 per share. **Business**—A diversified, open-end, managed investment company. **Proceeds**—For investment. **Office**—615 Russ Bldg., San Francisco, Calif. **Underwriter**—North American Securities Co., San Francisco (dealer-manager).

● **Compression Industries Corp. (2/10)**
Dec. 19, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Construction of swimming pools. **Proceeds**—For general corporate purposes. **Office**—313 W. Jericho Turnpike, Huntington, N. Y. **Underwriter**—I. R. E. Investors Corp., 3000 Hempstead Turnpike, Levittown, N. Y.

● **Consolidated Airborne Systems, Inc. (2/6-7)**
Dec. 15, 1960 filed 180,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The design, development and production of proprietary devices in the field of electronic and cryogenic ground support equipment and airborne instrumentation for the military and commercial aircraft industry. **Proceeds** — For debt reduction, research, development and expansion of manufacturing facilities and for working capital. **Office**—900 Third Ave., New Hyde Park, N. Y. **Underwriter**—S. D. Fuller & Co., New York City (managing).

Consolidated Natural Gas Co. (2/7)
Jan. 6, 1961 filed $45,000,000 of debentures, due Feb. 1, 1986. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—To repay a short-term bank loan and for construction. **Office**—30 Rockefeller Plaza, New York, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co., and First Boston Corp., (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly); Halsey, Stuart & Co. Inc. **Bids**—Expected Feb. 7, 1961 at 11:30 a.m. EST. **Information Meeting**—Scheduled for Feb. 2 at 10:30 a.m. EST at Bankers Club, 120 Broadway, New York City.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Copter Skyways, Inc.
Jan. 16, 1961 filed 15,000,000 shares of no par common stock. **Price**—3 cents per share. **Proceeds**—To acquire the equipment, real estate and other materials necessary to commence business. **Office**—Penn-Sheraton Hotel, Pittsburgh, Pa. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

• Coral Aggregates Corp. (2/7)
Aug. 25, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company intends to engage in the extraction and sale of rock. **Proceeds**—For equipment, working capital, and the retirement of indebtedness, with the balance for general corporate purposes. **Office**—7200 Coral Way, Miami, Fla. **Underwriters**—Peter Morgan & Co., New York City, and Robinson & Co., Inc., Philadelphia, Pa.

Cortez Life Insurance Co.
Jan. 12, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

• Crumpton Builders, Inc. (2/8)
Nov. 17, 1960 filed 750,000 shares of common stock, $1,500,000 of 9% convertible debentures due Jan. 10, 1981, and warrants, to be offered in units, each unit to consist of five shares of common stock, one debenture and one warrant. **Price**—To be supplied by amendment. **Business**—The construction of owner completed ("shell") homes. **Proceeds**—To increase mortgage notes receivable and the balance for general corporate purposes. **Office** — 2915 West Hillsborough Ave., Tampa, Fla. **Underwriter** — Courts & Co., Atlanta, Ga. and New York City.

★ Cryogenics Corp.
Jan. 16, 1961 (letter of notification) 200,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For general corporate purposes. **Office** — 500 Terrace St., Meadville, Pa. **Underwriter**—None.

Cumberland Shoe Corp.
Jan. 3, 1961 (letter of notification) 37,115 shares of common stock (par 50 cents) to be offered for subscription by stockholders of the company with the right to purchase one share for each five shares held. Rights expire in 30 days. **Price**—$3.75 per share. **Office**—North Margin Street, Franklin, Tenn. **Underwriter** — Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.

• Custom Components, Inc.
Jan. 24, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company designs, develops and produces high quality components for microwave and electronic systems. **Proceeds** — For expansion, acquisitions and working capital. **Office**—Passaic Ave., Caldwell, N. J. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York, N. Y.

Datamation, Inc.
Nov. 30, 1960 (letter of notification) 80,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The processing of paper work on a service basis for business organizations to provide them with the cost-cutting and time-saving benefits of electronics. **Proceeds**—For general corporate purposes. **Office** — 100 S. Van Brunt St., Englewood, N. J. **Underwriters**—Bertner Bros. and Earl Edden Co., New York City. **Offering**—Imminent.

Dalto Corp.
March 29 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City. **Offering**—Indefinitely postponed.

• Delanco Electric Co., Inc.
Jan. 17, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company operates three retail stores selling sewing machines and electrical appliances. **Proceeds**—For expansion and general corporate purposes. **Office**—111 Delancey Street, New York, N. Y. **Underwriter**—Michael Pariser Corp., New York, N. Y. **Offering**—Expected in mid-February.

Delta Design, Inc.
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price**—$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

Detroit Tractor, Ltd.
May 26, 1960 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

Digitronics Corp. (2/6-10)
Dec. 27, 1960 filed 50,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—Makes digital computers. **Proceeds**—To retire short-term loans and for working capital. **Office** — Albertson, L. I., N. Y. **Underwriter** — Granbery, Marache & Co., New York (managing).

• Diketan Laboratories, Inc.
Sept. 30, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To increase inventory, purchase new equipment, for research and new product development and working capital. **Office** — 9201 Wilshire Blvd., Beverly Hills, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles, Calif. **Offering** — Indefinitely postponed. **Note** — This letter was withdrawn on Jan. 12.

• Dixie Natural Gas Corp. (2/24)
Dec. 5, 1960 (letter of notification) 75,000 shares of common stock (par 2 cents). **Price**—$4 per share. **Business**—Develops oil and gas leases in West Virginia. **Proceeds** — For general business purposes. **Office** — 115 Broadway, New York 6, N. Y. **Underwriter**—Vestal Securities Corp., New York City.

Dodge Wire Corp. (3/1)
Dec. 7, 1960, filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The manufacture of woven aluminum screen cloth. **Proceeds**—The repayment of indebtedness and general corporate purposes. **Office**—Industrial Blvd., Covington, Ga. **Underwriter**—Plymouth Securities Corp., New York City.

Dolomite Glass Fibres, Inc.
Dec. 27, 1960 filed 200,000 shares of 7% preferred stock (cumulative - convertible); 200,000 class A common shares (voting) and 1,000,000 common shares (non-voting). **Price**—$10 per share for the preferred and $1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office**—1037 Jay St., Rochester, N. Y. **Underwriter**—None.

• Drexel Equity Fund, Inc. (2/14)
Oct. 25, 1960 filed 500,000 shares of common stock (par 10 cents). **Price**—$10.20 per share. **Business**—This is a new mutual fund, organized as a closed-end fund on Oct. 19, which will become open-end pursuant to the public sale of these shares. **Proceeds**—For portfolio investment. **Office**—1500 Walnut Street, Philadelphia, Pa. **Distributor and Investment Adviser**—Drexel & Co., Philadelphia, Pa.

★ Dynamic Instrument Corp.
Jan. 27, 1961 filed 150,000 shares of common stock. **Price** $2 per share. **Business**—The company is engaged in the design, manufacture and sale of electro - magnetic clutches and brakes and in the machinery of precision instrument components on a sub-contract basis. **Proceeds**—To repay loans, complete and develop new products and for working capital. **Office** — 59 New York Ave., Westbury, L. I., N. Y. **Underwriters**—T. W. Lewis & Co., Inc., and Amos Treat & Co., Inc., both of New York City and Bruno-Lenchner, Inc., Philadelphia, Pa.

• Eastern Bowling Corp. (2/15)
Nov. 29, 1960 filed 150,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The acquisition, establishment and operation of bowling centers. **Proceeds**—For general business purposes. **Office**—99 West Main St., New Britain, Conn. **Underwriter**—Schirmer, Atherton & Co., Boston (managing).

Eastern Camera Exchange, Inc.
Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. **Proceeds**—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. **Office**—68 W. Columbia Street, Hempstead, N. Y. **Underwriter**—Casper Rogers & Co., Inc., New York, N. Y.

• Eastern Can Co., Inc. (3/6-10)
Jan. 23, 1961 filed 200,000 shares of class A stock. **Price**—$7 per share. **Business**—The company is engaged in the business of manufacturing tin plate cans for the packaging and marketing of different types of food, petrochemicals and other products. **Proceeds**—For new equipment; completion of a new manufacturing plant at Passaic, N. J.; the moving of metal container manufacturing equipment from Brooklyn to Passaic, and for working capital. **Office** — 649 Kent Avenue, Brooklyn, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York City.

• Edwards Industries, Inc. (2/3-8)
Sept. 27, 1960 filed 100,000 shares of common stock. **Price**—$4.50 per share. **Proceeds** — For land, financing of homes, and working capital relating to such activities. **Office**—Portland, Oreg. **Underwriter**—Joseph Nadler & Co., Inc., New York City (managing).

★ Electro Consolidated Corp.
Jan. 27, 1961 filed 100,000 shares of common stock, of which 50,000 are to be offered for public sale by the issuing company and 50,000 shares, being outstanding stock, by the present holders thereof. **Price** — $6 per share. **Business**—The company and its subsidiaries are engaged in the design, manufacture, distribution and sale of fluorescent and incandescent lighting fixtures for commercial and industrial use, and the manufacture and sale of household appliances including broilers and food-slicers. **Proceeds**—For the repayment of bank loans, new equipment, and working capital. **Office** — Spruce and Water Streets, Reading, Pa. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds**—To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electro-Nuclear Metals, Inc.
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

Electro-Tech Instruments, Inc.
Nov. 29, 1960 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For inventory, advertising and working capital. **Office**—5 N. Mason St., Portland, Oreg. **Underwriter**—Robert Edelstein Co., Inc., New York, N. Y. **Offering**—Expected sometime in February.

• Elion Instruments, Inc. (2/3-15)
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

Falls Plaza Limited Partnership (2/14-17)
Dec. 5, 1960 filed 480 units of limited partnership interests. **Price**—$1,000 per unit. **Business**—The building and operation of a shopping center on Broad Street in Falls Church, Va. **Proceeds**—For the purchase of land and the erection of a shopping center. **Office** — 1823 Jefferson Place, N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., and Investor Service Securities Inc., both of Washington, D. C.

★ Faradyne Electronics Corp.
Jan. 30, 1961 filed $1,500,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—To be named.

Filmohm Corp.
Dec. 27, 1960 (letter of notification) 110,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Business**—Manufacturers of thin film electronic components. **Proceeds**—For general corporate purposes. **Office**—48 W. 25th St., New York, N. Y. **Underwriter**—Kidder, Peabody & Co., New York, N. Y.

First American Investment Corp.
Oct. 14, 1960 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Business**—Insurance. **Proceeds**—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. **Office**—2222 N 16th St., Phoenix, Ariz. **Underwriter**—None.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

Florida Guaranty Title & Trust Co.
Nov. 29, 1960 (letter of notification) 83,125 shares of common stock (par 50 cents). **Price**—$3.60 per share. **Proceeds** — To pay a second mortgage instalment, for advertising, and for working capital. **Office**—1090 N. E. 79th St., Miami, Fla. **Underwriter**—Floyd D. Cerf Jr. Co., Inc., Chicago, Ill.

★ Forcite, Inc.
Jan. 26, 1961 filed 150,000 shares of common stock. **Price**—$5 per share. **Business**—The manufacture and sale of a specialized line of furniture, and the operation of a chain of retail furniture stores in New York City, Chicago, Ill., and Los Angeles, Calif. **Proceeds**—To repay loans, discharge outstanding 7% debentures due in March 1962, finance the opening of new retail outlets and for working capital. **Office**—117-20 14th Road, College Point, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York City.

Foremost Industries, Inc.
Oct. 14, 1960 (letter of notification) 100,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Business**—Manufacturers of stainless steel food service equipment used by department, drug and variety chain stores, and institutions. **Proceeds**—For expansion; to repay a loan; advertising, sales and promotion; for working capital and general corporate purposes. **Office**—250 W. 57th St., New York, N. Y. **Underwriter**—Richard Bruce & Co., Inc., New York, N. Y.

• Freeplex, Inc. (2/3)
Nov. 25, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The sale and servicing of home food freezers; the sale of bulk food supplies for freezer use and the operation of a retail super market. **Proceeds** — For general corporate purposes. **Address**—Route 18, Tices Lane, East Brunswick, N. J. **Underwriter**—Alessandrini & Co., Inc., and Hardy & Hardy, both of New York City.

Fund of America, Inc. (2/28)
Jan. 6, 1961 filed 500,000 shares of common stock. **Price**—$10 per share. **Business** — The company, formerly named Southern Industries Fund, Inc., is an open-end balanced investment trust. **Office**—60 East 42nd Street, New York, N. Y. **Underwriters**—Ladenburg, Thalmann & Co., New York City and Minis & Co., Inc., Savannah, Georgia.

• FWD Corp. (2/6-10)
Dec. 15, 1960 (letter of notification) $300,000 of 6% 10-year convertible debentures to be offered for subscription by holders of common stock in multiples of $100. **Price**—At face value. **Proceeds**—To purchase the out-

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standing stock of Wagner Tractor, Inc. **Address**—Clintonville, Wis. **Underwriter** — A. C. Allyn & Co., Inc., Chicago, Ill.

★ G-W Ameritronics, Inc.
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

● Gala Industries, Inc.
Oct. 25, 1960 (letter of notification) 16,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds** — For equipment, advertising and sales, working capital, research and development. **Address** — Clifton Forge, Va. **Underwriter**—Storer Ware & Co., Roanoke, Va. **Note**—This letter was withdrawn on Jan. 23.

General Bowling Corp. (2/23)
Nov. 17, 1960 filed 100,000 shares of common stock (par 10c). **Price**—$5 per share. **Business**—The issuer owns two bowling establishments, and a tract of land in Indiana County, Pa., on which it hopes to build a third. **Proceeds**—To equip the prospective establishment ($150,000), to repay a bank loan ($50,000), to add eight lanes to a bowling facility ($50,000), and the balance will be used for working capital. **Office**—2 Park Avenue, Manhasset, L. I., N. Y. **Underwriters** — P. J. Gruber & Co., Inc. (managing); McMahon, Lichtenfeld & Co., and T. M. Kirsch & Co., all of New York City.

General Development Investment Plans, Inc.
Oct. 6, 1960 filed 1,285 of Investment Plans. **Price**—To be offered for public sale with sales commissions ranging from 8% to 10%, depending upon the type of mortgage financing involved. **Proceeds**—For investment in Port St. Lucie Country Club homes, on the east coast of Florida. **Business**—The company is a wholly-owned subsidiary of General Development Corp., whose principal business is the development of large tracts of land into planned communities. **Office**—2828 S. W. 22nd Street, Miami, Fla. **Underwriter**—None.

● General Foam Corp. (2/8-9)
Dec. 16, 1960, filed $550,000 of 6% convertible subordinated debentures, due 1976. **Price**—At 100% of principal amount. **Business**—The manufacture and distribution of urethane foam and foam rubber products. **Proceeds**—For new equipment and working capital. **Office**—640 West 134th St., New York City. **Underwriter**—Brand, Grumet & Seigel, Inc., New York City (managing).

★ General Motors Acceptance Corp.
Jan. 31, 1961 filed $150,000,000 of 22-year debentures due 1983. **Price**—To be supplied by amendment. **Business**—Finances instalment sales of vehicles produced by General Motors Corp. **Proceeds**—For the purchase of receivables and for maturing debt. **Office**—1775 Broadway, New York City. **Underwriter**—Morgan Stanley & Co., New York City (managing).

General Supermarkets, Inc.
Jan. 17, 1961 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds**—To be used as working capital to expand the number of supermarkets. **Office**—200 Main Ave., Passaic, N. J. **Underwriter** — Godfrey, Hamilton, Magnus & Co., Inc., New York City (managing).

● Geochron Laboratories, Inc. (2/7)
Nov. 29, 1960 filed 150,000 shares of common stock. Also filed were 30,000 common shares underlying 6% convertible notes and 60,000 warrants to purchase a like number of common shares. **Price**—To be supplied by amendment. **Business**—The operation of a laboratory at Cambridge, Mass., to furnish on a commercial basis, determinations of the age of rock and mineral samples. **Proceeds** — For construction, equipment, and working capital. **Office** — 24 Blackstone St., Cambridge, Mass. **Underwriter**—Globus, Inc. and Ross, Lyon & Co., both of New York City.

● Golden Crest Records, Inc. (2/20-24)
Dec. 16, 1960 filed 85,000 shares of 10c par class A common stock. **Price**—$3 per share. **Proceeds**—The firm will use the proceeds of its first public offering for working capital and general corporate purposes. **Office**—Huntington, L. I., N. Y. **Underwriters**—Dean Samitas & Co., Inc., 111 Broadway, New York City (managing); Valley Forge Securities Co., Inc., Philadelphia, Pa., and Nassau Securities Service, New York City.

Grayco Credit Corp.
Jan. 16, 1961 (letter of notification) $150,000 of 10-year 7% sinking fund debentures and 75,000 shares of common stock (par $1) to be offered in units consisting of 50 shares of common and $100 of debentures. **Price**—$200 per unit. **Proceeds** — For working capital. **Office** — 1012 Market St., Johnson City, Tenn. **Underwriter**—Branum Investment Co., Inc., Nashville, Tenn.

● Grayway Precision, Inc. (2/20-24)
Dec. 23, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of precision instruments. **Proceeds**—For general corporate purposes. **Office**—121 Centre Avenue, Secaucus, N. J. **Underwriters**—Harrison & Co., Philadelphia, Pa. and Marron, Sloss & Co., Inc., New York, N. Y.

● Greenfield Real Estate Investment Trust (2/27-3/3)
Dec. 21, 1960, filed 500,000 shares of beneficial interest. **Price**—To be supplied by amendment. **Business** — The company was organized on Dec. 20, 1960 to provide investors with an interest in diversified income-producing properties consisting principally of real estate interests. **Proceeds**—For investment. **Office** — Bankers Securities Bldg., Philadelphia, Pa. **Underwriter** — Drexel & Co., Philadelphia (managing).

● Guild Musical Instrument Corp.
Oct. 25, 1960 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds** — For general corporate purposes, including debt reduction, machinery and equipment, inventory, and working capital. **Office**—Hoboken, N. J. **Underwriter**—Michael G. Kletz & Co., Inc., New York City. **Offering**—Expected in mid-February.

● Gulf Guaranty Land & Title Co. (2/14-17)
Nov. 29, 1960 filed $750,000 of 7% convertible subordinated debentures due 1968 and 150,000 shares of common stock to be offered in units, each unit to consist of $100 of debentures and 20 shares of common stock. **Price**—$200 per unit. **Business** — The development of a planned community in Cape Coral, Fla. **Proceeds**—To reduce indebtedness, repay a mortgage, construction, and general corporate purposes. **Office**—Miami, Fla. **Underwriter**—Street & Co., New York City.

★ Honey Dew Food Stores, Inc.
Jan. 27, 1961 (letter of notification) 116,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The company operates a chain of 10 supermarkets. **Proceeds**—For general corporate purposes. **Office** — 811 Grange Road, Teaneck, N. J. **Underwriter** — Capital Investment Co., Newark, N. J.

Howell Instruments Inc.
Oct. 4, 1960 filed 140,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Address** — Fort Worth, Texas. **Underwriters**—G. H. Walker & Co., New York, N. Y. and Dewar, Robertson & Pancoast, San Antonio, Tex. **Offering**—Indefinitely postponed.

Hydro-Electronics Corp. (2/15)
Nov. 21, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The design and manufacture of precision measuring equipment, automation equipment and general precision fluid controls. **Proceeds** — For general corporate purposes. **Office**—691 Merrick Road, Lynbrook, L. I., N. Y. **Underwriter**—Lloyd Securities, New York, N. Y.

Hydroswift Corp.
Oct. 20, 1960 filed 70,000 shares of common stock. **Price**—$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office** — 1750 South 8th St., Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29 filed 600,000 shares of common stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriters**—Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

● Ilikon Corp. (2/27-3/3)
Dec. 23, 1960, filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The company was formed in June 1960, to undertake research and development in the field of "materials engineering and science." **Proceeds**—To carry on work on projects now in the laboratory stage and for general corporate purposes. **Office**—Natick, Mass. **Underwriter**—Myron A. Lomasney & Co., New York City.

● Income Planning Corp.
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two sharesof common. **Price**—$40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J. **Offering** — Expected sometime in February.

International Diode Corp.
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—T. M. Kirsch Co., New York City. **Offering**—Expected sometime in February.

● International Electronic Research Corp. (2/6)
Dec. 1, 1960 filed 220,000 shares of common stock, of which 110,000 shares will be sold by the company and 110,000 shares for the account of selling stockholders. **Price**—To be supplied by amendment. **Business**—Produces a heat dissipating tube shield for electron tubes, precision AC instruments, and does subcontract work in the aircraft and rocket engine industry. **Proceeds**—To repay outstanding loans and increase working capital. **Office**—135 West Magnolia Blvd., Burbank, Calif. **Underwriter**—Schwabacher & Co., San Francisco, Calif. and New York City (managing).

★ International Memorials, Inc.
Jan. 23, 1961 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For general corporate purposes. **Office**—604 S. Hope Avenue, Ontario, Calif. **Underwriter**—None.

● International Mosaic Corp. (2/6-10)
Sept. 30, 1960 (letter of notification) 99,333 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — Manufacture of glass mosaics by machines and processes. **Proceeds** — For general corporate purposes. **Office**—45 East 20th St., New York 3, N. Y. **Underwriter**—B. G. Harris & Co., Inc., New York, N. Y.

● International Safflower Corp. (2/14-17)
Aug. 3, 1960 filed 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, buy seed, buy or lease land, building, and machinery, and for working capital. **Office**—350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Invesco Collateral Corp. (2/27-3/3)
Dec. 8, 1960, filed $300,000 of 6% registered debentures, series due June 30, 1964; $300,000 of 6% registered debentures, series due June 30, 1965, and $300,000 of 6% registered debentures, series due June 30, 1966. **Price**—To be offered for sale in $5,000 units at $4,450 per unit for the 1964 debentures, at $4,315 per unit for the 1965 debentures and at $4,190 per unit for the 1966 debentures. **Business**—The purchasing, investing in and selling of real estate mortgages. However, the company may buy, invest in and sell other types of securities. **Office**—511 Fifth Ave., New York, N. Y. **Underwriter**—None. **Note**—This company is a wholly owned subsidiary of Investors Funding Corp.

● Investors Preferred Life Insurance Co.
Sept. 26, 1960 (letter of notification) 150,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—For capital and surplus accounts. **Office**—522 Cross St., Little Rock, Ark. **Underwriter** — Life Securities, Inc., P. O. Box 3662, Little Rock, Ark. **Note**—This letter was withdrawn on Jan. 3.

Israel Development Corp.
Nov. 21, 1960 filed $3,000,000 of 5½% convertible sinking fund debentures, series A, due 1975, and 100,000 shares of common stock underlying such debentures. **Price**—To be offered in denominations of $500, $1,000 and $5,000, payable in cash or State of Israel bonds. **Business**—The company is a closed-end investment company which makes funds available for the economic development of Israel. **Proceeds**—To invest in establishing or existing Israeli businesses. **Office**—17 East 71st St., New York City. **Underwriter**—None.

Jefferson Lake Asbestos Corp. (2/15)
Jan. 9, 1961 filed $2,625,000 of 6½% series A subordinated sinking fund debentures due 1972 (with series A warrants to purchase 262,500 common shares), and 175,000 shares of common stock to be offered for public sale in units consisting of four common shares and a $60 debenture (with a warrant to purchase six common shares initially at $5 per share). **Price**—$80 per unit. **Business**—The production and sale of asbestos. **Proceeds**—For construction and working capital. **Office**—1408 Whitney Building, New Orleans, La. **Underwriter** — A. G. Edwards & Sons, St. Louis, Mo. (managing).

Jonker Business Machines, Inc. (2/20-24)
Sept. 30, 1960 filed 50,000 common stock units, each unit to consist of one share of class A common and 3 shares of class B common, to be offered for subscription by holders of its common stock. **Price**—The price and the basis of the rights offering will be supplied by amendment. **Proceeds**—To establish sales and information centers, establish distributorships, expansion, and the balance for working capital. **Office**—404 No. Frederick Ave., Gaithersburg, Md. **Underwriter** — Hodgdon & Co., Inc, Washington, D. C.

● Jouet, Inc. (2/8-10)
Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par five cents). **Price** — $2 per share. **Business** — The manufacture of dolls, toys and similar items. **Proceeds**—For the purchase and installation of machinery and molds and for working capital. **Office** 346 Carroll Street, Brooklyn, N. Y. **Underwriter**—Edward H. Stern & Co., 32 Broadway, New York, N. Y.

Jungle Juice Corp.
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—For working capital and expansion. **Address**—Seattle, Wash. **Underwriters**—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, N. Y. **Offering**—Expected in mid-February.

Kavanau Corp.
Sept. 30, 1960 filed 250,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A real estate investment company. **Proceeds**—For acquisition of properties, working capital and general corporate purposes. **Office**—415 Lexington Ave., New York, N. Y. **Underwriter**—Ira Investors Corp., New York, N. Y. **Offering**—Expected in early February.

★ Kings Electronics Co., Inc.
Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. **Price**—$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. **Business**—The company is engaged principally in the design, development and manufacture of radio frequency connectors. **Proceeds**—For expansion, the repayment of loans and for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York City (managing).

● Kleer-Vu Industries, Inc. (2/14-17)
Dec. 21, 1960, filed 115,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company, former-

ly American Kleer-Vu Plastics, Inc., is engaged primarily in the business of manufacturing acetate and polyester transparent accessories and related items. **Proceeds**—To retire a loan, purchase additional equipment, enlarge plant facilities, hire more staff engineers, and provide additional working capital. **Office**—76 Madison Ave., New York City. **Underwriters**—Paul Eisenberg Co., and Godfrey, Hamilton, Magnus & Co., Inc., both of New York City (managing).

● (S.) Klein Department Stores, Inc.
Jan. 23, 1961 filed 130,000 shares of common stock, of which 72,000 shares are to be offered directly to five persons at the initial offering price and 58,000 shares are to be offered for public sale at a price related to the current market for outstanding shares at the time of the offering. **Business**—The company operates four department stores in the New York City area. **Proceeds** — To purchase from the Prudential Insurance Co. of America, $1,350,000 of the company's 4½% notes due Sept. 1, 1969. The balance of the proceeds will be added to working capital. **Underwriter**—Emanuel, Deetjen & Co., New York City. **Offering**—Expected in mid-March.

Knickerbocker Biologicals, Inc.
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. **Price**—$6 per share. **Business**—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. **Proceeds**—For the selling stockholders. **Office**—300 West 43rd Street, New York City. **Underwriter**—None.

Kurz & Root Co.
Dec. 30, 1960 (letter of notification) 66,500 shares of common stock (par $1). **Price**—$4.50 per share. **Proceeds** — For general corporate purposes. **Office** — 232 East North Island Street, Appleton, Wis. **Underwriter**—Milwaukee Co., Milwaukee, Wis.

LP Gas Savings Stamp Co., Inc.
Sept. 27, 1960 (letter of notification) 30,000 shares of common stock **Price**—At par ($10 per share). **Proceeds**—For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. **Office**—300 W. 61st St., Shreveport, La. **Underwriter**—International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

★ Lafayette Radio Electronics Corp.
Jan. 27, 1961 filed $2,500,000 of convertible subordinated debentures due 1976 to be offered for public sale by the company, and 100,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are engaged in the business of distributing an extensive line of electronic parts and equipment and high fidelity sound components, and in the engineering, designing, assembling and distributing of electronic equipment in kit and wired form. **Proceeds**—For the repayment of loans, for new equipment and for working capital. **Office** — 165-08 Liberty Avenue, Jamaica, N. Y. **Underwriters**—C. E. Unterberg, Towbin Co., New York City.

Lake Arrowhead Development Co.
Jan. 10, 1961 filed 300,000 shares of common stock. **Price**—$10 per share. **Business** — Managing and developing the Arrowhead property, which is located in the San Bernadino Mountains. **Proceeds**—To reduce indebtedness, with the balance for general corporate purposes, including working capital. **Office** — Lake Arrowhead, Calif. **Underwriters** — Van Alstyne, Noel & Co., New York City, and Sutro & Co., San Francisco (managing). **Offering**—Expected in late February.

★ Lake Placid Co.
Jan. 30, 1961 (letter of notification) $300,000 of 5% debenture income bonds. **Price** — $1,000 per debenture. **Business**—Operates a country club. **Proceeds**—For general corporate purposes. **Address** — Lake Placid, N. Y. **Underwriter**—None.

Lake Superior District Power Co. (2/7)
Jan. 9, 1961 filed $3,000,000 of first mortgage bonds, series F, due Feb. 1, 1991. **Proceeds**—To finance part of the company's construction expenditures, including the payment of $2,500,000 of bank loans incurred for that purpose. **Office**—101 West Second Street, Ashland, Wis. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. (jointly); Robert W. Baird & Co., Inc.; Salomon Bros. & Hutzler. **Bids**—To be received in Chicago on Feb. 7 at 10 a.m. (CST).

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—22 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

Leaseway Transportation Corp. (3/8)
Jan. 11, 1961 filed 150,000 shares of common stock, of which 75,000 shares are to be offered for the account of the issuing company and the remaining 75,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company was formed last November, and has gained or will gain control of 81 corporations. The company will lease trucks and other commercial vehicles on a long-term basis, and will engage in the intrastate operation of trucks as a local contract carrier. **Proceeds**—For working capital, which may be used for acquisitions or to enhance the issuer's borrowing power. **Office** — 11700 Shaker Blvd., Cleveland, O. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Leasing Credit Corp. (2/14-17)
Nov. 29, 1960 filed 200,000 shares of class A stock and 200,000 warrants to be offered in units of one share and one warrant. **Price**—$4 per unit. **Business**—The company plans to engage in business of advancing funds to finance accounts receivable, inventories and purchase of equipment. **Proceeds**—For working capital. **Office**—440 West 34th Street, New York City. **Underwriter**—Edward Lewis & Co., Inc., New York (managing).

Lee Communications Inc.
Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture, research, sale and distribution of communications equipment and related products. **Proceeds**—For payment of bank loans; new equipment; advertising and promotion; engineering research and for working capital. **Office**—470 Park Ave., S., New York, N. Y. **Underwriter**—H. B. Crandall Co., New York, N. Y.

● Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office**—97 Queen Street, Charlottetown, Prince Edward Island, Canada, N. S. **Underwriter**—White, Weld & Co., Inc., New York. **Note**—This statement was withdrawn on Jan. 25.

Lifetime Pools Equipment Corp. (2/7)
July 1, 1960, filed 175,000 shares of common stock. **Price**—$3.25 per share. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriters** — Pacific Coast Securities Co., San Francisco, Calif. and Grant, Fontaine & Co., Oakland, Calif. **Note**—Statement effective Nov. 23.

Loral Electronics Corp.
Jan. 19, 1961 filed 9,450 outstanding common shares. **Price**—At the prevailing market price on the American Stock Exchange or in the over-the-counter market at the time of the sale. **Business**—The company is engaged in the research, development and production of electronic equipment for military use, and manufactures and sells wire products, electro-mechanical relays and certain metal products. **Proceeds**—To the selling stockholders. **Office**—825 Bronx River Avenue, New York City. **Underwriter**—None.

M. B. C. Nome Co.
Dec. 19, 1960 (letter of notification) 18,000 shares of convertible preferred stock. **Price** — At par ($5.75 per share). **Proceeds**—For working capital and expansion. **Office**—61 Renato Court, Redwood City, Calif. **Underwriter**—C. R. Mong & Associates, Menlo Park, Calif.

Management Assistance Inc. (2/15)
Dec. 28, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Consulting services and installation of business machines. **Proceeds** — For general corporate purposes. **Office**—40 Exchange Place, New York 5, N. Y. **Underwriter**—Federman, Stonehill & Co., New York, N. Y.

★ Mansfield Industries, Inc.
Jan. 31, 1961 filed 150,000 shares of common stock of which 50,000 shares will be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital. **Office**—Chicago, Ill. **Underwriter**—McDonnell & Co., Inc., New York City (managing).

Marine & Electronics Manufacturing Inc.
Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). **Price**—$3 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—Hagerstown, Md. **Underwriter**—Batten & Co., Washington, D. C.

★ Marley Co. (3/8)
Jan. 25, 1961 filed 100,996 shares of common stock ($2 par), of which 75,000 shares are to be offered for public sale and 25,996, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture, sale and maintenance of water cooling towers, and the manufacture and sale of air cooled refrigerant condensers, marketed under the trade name "DriCooler." **Office**—222 West Gregory Blvd., Kansas City, Mo. **Underwriter**—White, Weld & Co., New York City (managing).

● Marmac Industries, Inc.
Dec. 22, 1960, filed 108,000 shares of common stock. **Price**—$4.50 per share. **Business**—The manufacture and sale of wood cabinets. **Proceeds**—For general business purposes. **Office**—Wenonah, N. J. **Underwriter**—Metropolitan Securities, Inc., Philadelphia (managing). **Offering**—Expected in February.

Maryland Cup Corp. (2/14)
Dec. 29, 1960 filed 235,100 shares of common stock (par $1) of which 21,000 will be offered for the account of company and $214,000 for the account of selling stockholders. **Price** — To be supplied by amendment. **Business** — The company produces paper cups, straws, book matches, ice cream cones and plastic containers. **Proceeds**—The company will apply its funds toward the cost of additional equipment for its Plastics Division in the Boston area. **Office** — Baltimore, Md. **Underwriter**—Lehman Brothers, New York City (managing).

Medco, Inc.
Dec. 19, 1960 (letter of notification) 60,000 shares of class A common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To open new licensed departments in 1961. **Office**—211 Altman Building, Kansas City, Mo. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Mercury Electronics Corp.
Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par five cents). **Price** — $3 per share. **Business**—Manufacturers of testing equipment. **Proceeds**—For general corporate purposes. **Address**—Mineola, L. I., N. Y. **Underwriter**—S. Schramm & Co. Inc., New York City.

● Mesabi Iron Co.
Jan. 10, 1961 filed 180,000 shares of capital stock, to be offered for subscription by the company's stockholders. **Price**—To be supplied by amendment. **Proceeds**—To establish a reserve for 1960 tax payments. **Office** — 452 Fifth Ave., New York City. **Underwriter**—None. **Note**—Feb. 1 it was reported that the company is awaiting a tax ruling, subsequent to which a decision will be made as to whether or not the offering will be made.

● Metropolitan Securities, Inc.
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds** — For working capital. **Office** — 919-18th St., N. W., Washington, D. C. **Underwriter** — Metropolitan Brokers, Inc., Washington, D. C. **Offering** — Expected sometime in March.

● Mid-America Life Insurance Co.
Oct. 11, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price** — $2.75 per share. **Proceeds**—For capital and surplus accounts. **Office**—318 Northwest 13th St., Oklahoma City, Okla. **Underwriter**—F. R. Burns & Co., Oklahoma City, Okla. **Note** — This letter was withdrawn on Jan. 10.

● Midland-Guardian Co. (2/8)
Oct. 27, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The firm discounts retail instalment sales notes for dealers in shell homes, mobile homes, and cars; finances at wholesale inventories of dealers in mobile homes and cars; makes small loans directly to borrowers; and operates various insurance subsidiaries, including a life insurance company. **Proceeds**—To repay short-term bank loans, which on Sept. 30 amounted to $31,529,000. **Office**—1100 First National Bank Bldg., Cincinnati, O. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

● Milo Electronics Corp. (2/14-18)
Dec. 27, 1960 filed 150,000 shares of common stock. **Price**—$5 per share. **Business**—The company is a wholesaler and distributor of electronic equipment. **Proceeds**—For debt reduction, inventory and general corporate purposes. **Office**—530 Canal Street, New York City. **Underwriter** — Myron A. Lomasney & Co., New York City (managing).

Mineral Concentrates & Chemical Co., Inc.
Nov. 10, 1960 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—Production of beryllium oxide. **Proceeds** — To pay two corporate notes; plant improvements; research and experimentation with flotation process; and working capital. **Office**—1430 First National Bank Bldg., Denver, Colo. **Underwriter**—None.

Minitone Electronics, Inc.
Jan. 11, 1961 filed 249,333⅓ shares of common stock, of which 129,000 will be publicly offered. **Price**—$3 per share. **Business**—The firm was organized last March for the purpose of making and selling small DC motors and certain consumer products using such motors. **Proceeds**—For debt reduction and general corporate purposes, including working capital. **Office**—55 W. 13th St., New York City. **Underwriter**—None.

● Model Finance Service, Inc. (2/6-10)
May 26 filed 100,000 shares of second cumulative preferred stock—65¢ convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

Modern Furniture, Inc.
Jan. 12, 1961 (letter of notification) 300,000 shares of class A common stock. **Price** — At par ($1 per share). **Proceeds**—To purchase furniture and for working capital. **Office**—First National Bank Building, Denver, Colo. **Underwriter** — Equity General Investment Corp., First National Bank Bldg., Denver, Colo.

Modern Materials Corp.
Jan. 4, 1961 filed 150,000 shares of common stock, of which 50,000 will be offered for sale by the company and the remaining 100,000, being outstanding stock, by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture and distribution of aluminum and asphalt siding and related acces-

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sories. **Proceeds** — For the repayment of loans and for general corporate purposes. **Office**—7018 South Street, Detroit, Mich. **Underwriter**—Smith, Hague & Co., Detroit (managing).

● Mohawk Insurance Co. (2/14-17)
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

Mokan Small Business Investment Corp., Inc.
Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office** — 719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

Monarch Electronics International, Inc. (2/14-17)
Oct. 31, 1960 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, organized in 1958 under the name Arrow Electronics International, Inc., imports and sells electronic and high fidelity parts and equipment. **Proceeds**—To retire bank loans and for working capital. **Office**—7035 Laurel Canyon Boulevard, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., 240 Montgomery Street, San Francisco, Calif.

● Mortgage Guaranty Insurance Corp. (2/6-10)
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State.

Municipal Investment Trust Fund, Series A
Sept. 1, 1960 filed $20,000,000 of interest in the Fund to be offered in 20,000 units. **Business**—The Fund will purchase tax-exempt securities of states, municipalities, counties and territories of the United States. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in early February.

National Airlines, Inc.
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office** — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing). **Offering**—Expected in late February to early March.

● National Equipment Rental, Ltd. (2/3)
Dec. 20, 1960 filed 136,000 shares of common stock to be offered for subscription by common stockholders. **Price**—To be supplied by amendment. **Business**—The rental or leasing of equipment to business organizations, including production, processing, and packaging machinery. **Office**—1 Plainfield Ave., Elmont, N. Y. **Underwriter**—Burnham & Co., New York (managing).

★ National Food Marketers, Inc.
Jan. 27, 1961 filed 100,000 shares of common stock. **Price** $4 per share. **Business**—The company is engaged in the processing and packaging of quick-frozen, prepared seafood meat and poultry for use by restaurants and institutions and frozen ready-to-heat meals for distribution through vending machines. **Proceeds** — To repay loans; purchase additional machinery; establish a food laboratory, and for advertising, promotion, and working capital. **Office**—Blue Anchor, N. J. **Underwriter**—Robert Edelstein Co., Inc., New York City.

★ National Western Insurance & Growth Fund, Inc.
Jan. 27, 1961 filed 111,000 shares of common stock, of which 11,000 will first be offered to not more than 25 persons and the remaining 100,000 will be offered for public sale. **Price** — $9.15 per share (for the 11,000 shares), and $10 per share (for the 100,000 shares). **Business**—The company was organized under Delaware law in August 1960 to invest in companies believed to have growth possibilities, especially in the life insurance field. **Proceeds**—For investment. **Office**—737 Grant St., Denver, Colo. **Distributor** — National Western Management Corp., Denver, Colo.

Navajo Freight Lines, Inc.
May 9, 1960, filed (with the ICC) 250,000 shares of common stock, of which 189,000 shares, being outstanding stock, will be offered for the account of the present holders thereof, and 61,000 shares will be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Office**—1205 So. Plate River Drive, Denver 23, Colo. **Underwriters**—Hayden, Stone & Co. and Lowell, Murphy & Co. (jointly). **Offering**—Indefinitely postponed.

● New Moon Homes, Inc.
Nov. 28, 1960 filed 131,600 shares of common stock (par $1), of which 66,668 shares are to be offered by the company, and 64,932 shares for the account of selling stockholders. **Price**—$8 per share. **Business**—The manufacture and sale of mobile homes. **Proceeds**—For working capital and new product development. **Office**—7808 Carpenter Freeway, Dallas, Texas. **Underwriter**—Baker, Simonds & Co., Detroit, Mich. (managing). **Note**—This registration was withdrawn on Jan. 27.

New Western Underwriting Corp.
Oct. 25, 1960 filed $2,000,000 of 15-year 6% subordinated convertible debentures. **Business** — The company which was organized in August, 1959, is developing, through subsidiaries, a dealer-recourse finance business and a life insurance business. **Proceeds**—For expansion. **Price**—At par. **Office**—Helena, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Kook Bldg., 3203 3rd Ave., North Billings, Mont.

Normandy Oil & Gas, Inc.
Aug. 31, 1960 filed 750,000 shares of common stock. **Price**—$1 per share. **Business**—Oil and gas exploration and production. **Proceeds** — For general corporate purposes. **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

● Northfield Precision Instrument Corp.
Dec. 27, 1960 (letter of notification) 24,428 shares of common stock (par 10 cents). **Price**—At-the-market (not more than $2 per share). **Business** — Manufacturers of precision instruments in electronic, aircraft and missile industries. **Proceeds** — To go to underwriter. **Office**—4400 Austin Blvd., Island Park, L. I., N. Y. **Underwriter**—Robert Edelstein Co., Inc., New York, N. Y. **Offering**—Imminent.

★ Nytronics, Inc.
Jan. 27, 1961 filed 100,000 shares of capital stock. **Price**—To be supplied by amendment. **Business** — The company is engaged in the development, design, production and sale of electronic components for use in communications equipment, missiles, commercial computers, servos, commercial radio and television, data-handling, navigational, and industrial control equipment. **Proceeds**—For expansion, new equipment, and working capital. **Office**—550 Springfield Ave., Berkeley Heights, N. J. **Underwriter**—Norton, Fox & Co., Inc., New York City (managing).

P. & C. Food Markets, Inc.
Dec. 23, 1960 filed 40,000 shares of common stock of which 32,000 will be offered for sale to public and 8,000 to employees. **Price**—$12.50 per share (to public). **Business**—The operation of a chain of 46 retail self-service food and grocery supermarkets in central New York State. **Proceeds**—For inventories for five new stores and for general corporate purposes. **Office** — Geddes, New York. **Underwriter**—First Albany Corp., Albany, New York (managing).

Pacific Gas Transmission Co.
Dec. 12, 1960 filed $13,260,000 of 5½% convertible debentures due Feb. 1, 1981 being offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 16⅔ common shares held of record Jan. 11 with rights to expire on Feb. 8. **Price**—At par ($100) per unit. **Proceeds**—For pipeline expansion. **Office**—245 Market St., San Francisco, Calif. **Underwriter**—None.

● Palm Developers Limited
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City. **Offering**—Expected in late February to early March.

● Palomar Mortgage Co. (2/6-10)
Dec. 15, 1960 filed $1,100,000 of subordinated convertible debentures, due 1975. **Price** — At 100% of principal amount. **Business**—The obtaining, arranging and servicing of real estate loans. **Office**—5th & University Aves., San Diego, Calif. **Proceeds** — To retire bank loans and for working capital. **Underwriter** — J. A. Hogle & Co., Salt Lake City (managing).

● Patrician Paper Co., Inc. (2/15)
Oct. 14, 1960 filed 180,000 to 190,000 shares of common stock (par 10c). **Price** — To be supplied by amendment. **Business**—The company plans to manufacture facial and toilet tissues upon the completion of the financing. **Proceeds**—For acquisition of property, to acquire machinery and equipment, and for repayment of certain loans. **Office**—485 Lexington Ave., New York, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York, N. Y.

Pearce-Simpson, Inc.
Dec. 30, 1960 filed $1,800,000 of outstanding 6% convertible debentures due April 1, 1970; 200,000 shares of common stock reserved for issuance upon conversion of the debentures; 145,938 outstanding shares of common stock; 72,500 outstanding warrants for the purchase of common shares and a like number of underlying shares. **Business**—The manufacture of radio telephones. **Proceeds**—To the selling stock and debenture holders. **Office**—2295 N. W. 14th Street, Miami, Fla. **Underwriter**—None.

● Perry Electronic Components, Inc. (2/3-6)
Nov. 30, 1960 (letter of notification) 75,000 shares of common stock (par five cents). **Price** — $4 per share. **Business**—The production of electronic components used by manufacturers of electronic instruments and equipment. **Proceeds** — For the purchase of electronic test equipment and machinery; for advertising and sales promotion; for research and development; for the acquisition of basic raw materials; for reduction of outstanding indebtedness; for working capital and for general corporate purposes. **Office**—81 Water St., Ossining, N. Y. **Underwriter**—S. B. Cantor & Co., and Farrell Securities Co., New York City.

● Personal Property Leasing Co.
Jan. 24, 1961 filed 150,000 shares of capital stock. **Price**—$6.50 per share. **Business**—The company is engaged in the business of leasing a variety of equipment and machinery to industrial and commercial firms to meet their specific requirements. **Proceeds** — For additional working capital. **Office** — 6381 Hollywood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing). **Offering**—Expected in early Mar.

Philadelphia Aquarium, Inc.
Oct. 14, 1960 filed $1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one $100 debenture and 10 shares of stock. **Price**—$150 per unit. **Business**—Operation of an aquarium in or about Philadelphia. **Proceeds**—To acquire ground and to construct an aquarium building or buildings. **Office**—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

Photo Service, Inc. (2/23)
Dec. 30, 1960 filed 162,500 shares of common stock of which 125,000 shares will be offered for public sale by the company and the remaining 37,500, being outstanding, by the selling stockholder. **Price**—To be supplied by amendment. **Business**—The processing of photographic film, the wholesale distribution of photographic equipment and the operation of three retail camera shops in the Chicago area. **Proceeds**—For construction and new equipment, repayment of debt, purchase of stock or assets of other firms in the photo-finishing business and for general corporate purposes. **Office** — 220 Graceland Ave., Des Plaines, Ill. **Underwriter**—Cruttenden, Podesta & Co., Chicago, Ill. (managing).

● Plastic & Fibers, Inc. (2/3-10)
June 14 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Avenue, South River, N. J. **Underwriter**—M. R. Zeller Co., New York City.

● Polychrome Corp.
Dec. 29, 1960 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design and manufacture of offset printing supplies and mimeograph stencils. **Proceeds** — For new facilities and new products and for working capital. **Office**—2 Ashburton Ave., Yonkers, N. Y. **Underwriter**—Westheimer & Co., Cincinnati (managing). **Offering**—Expected in late Mar.

● Polysonics, Inc. (2/6)
Nov. 18, 1960 (letter of notification) 70,000 shares of 1 cent par common stock. **Price**—$3 per share. **Business**—The company, formed last July, will act as theatrical producers and will produce jazz festivals, concerts, records and commercial films. The firm also plans to enter the development and merchandising of new commercial color sound process for industrial and commercial advertising. **Proceeds**—For working capital. **Office**—480 Lexington Avenue, New York City. **Underwriters**—M. H. Meyerson & Co., Ltd., 15 William Street, New York City (managing); Karen Securities Corp., New York City, and Selected Investors, Brooklyn, New York.

Popell (L. F.) Co.
Nov. 18, 1960 filed 99,996 shares of common stock to be offered for subscription by common stockholders at the rate of one share for each three shares of common stock held. **Price**—To be supplied by amendment. **Business**—Distribution, sale and installation of building, insulating and acoustical products. **Proceeds**—For plant construction; expansion of its distribuiton of Perma-Glaze and working capital. **Office**—2501 Northwest 75th Street, Miami, Fla. **Underwriter**—To be supplied by amendment.

Porce-Cote Research & Development Corp.
Nov. 18, 1960 (letter of notification) 50,000 shares of class A stock (par 10 cents). **Price**—$5 per share. **Business**—Research and development of chemical products. **Proceeds**—For general corporate purposes. **Office**—336 Uniondale Ave., Uniondale, N. Y. **Underwriter**—Suburban Investors Corp., Uniondale, N. Y.

★ Presidential Realty Corp.
Jan. 30, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The company was organized under Delaware law in January, 1961, to acquire the outstanding stock of the Shapiro Co., which is engaged in the development of real estate projects of various types. **Proceeds**—For construction; acquisition of properties; development of projects; and reduction of bank debt. **Office**—180 South Broadway, White Plains, N. Y. **Underwriter**—Burnham & Co., New York City (managing).

Progress Webster Electronics Corp. (2/27-3/3)
Jan. 13, 1961 filed 150,000 shares of common stock. **Price**—$4.50 per share. **Business**—The company and its subsidiaries are engaged in the business of manufacturing, distributing and developing electronic equipment and components and related products for residential, commercial and military use. **Proceeds**—For working capital. **Office**—10th Street, and Morton Avenue, Chester, Pa. **Underwirter**—Marron, Sloss & Co., Inc., New York City (managing).

★ Publishers Company, Inc.
Jan. 27, 1961 filed 220,000 shares of common stock. **Price**—$10 per share. **Business**—The company and its subsidiaries are engaged in the business of selling and financing books sales. **Proceeds**—To acquire the assets of Books, Inc., 1140 Broadway, New York City; to invest in a new District of Columbia company, Books, Inc.; to invest additional funds in a subsidiary; to finance installment sales contracts receivable and for working capital. **Office**—1116 18th St., N. W., Washington, D. C. **Underwriters**—Amos Treat & Co., Inc., New York City and Roth & Co., Inc., Philadelphia, Pa. (managing).

Puget Sound Power & Light Co. (2/15)
Jan. 13, 1961 filed $15,000,000 of first mortgage bonds, series due 1991. The registration also covers 326,682 common shares which the company plans to offer to common stockholders on the basis of one new share for each 10 shares held of record Feb. 15. **Price**—To be sup-

plied by amendment. **Proceeds**—To repay bank loans and for construction. **Office**—1400 Washington Building, Seattle, Wash. **Underwriters**—Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith, Inc., both of New York City (managing).

● Radar Measurements Corp. (2/27-3/3)
Jan. 19, 1961 (letter of notification) 85,700 shares of common stock (par $1). **Price**—$3.50 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office**—190 Duffy Ave., Hicksville, N. Y. **Underwriter**—Blaha & Co., Inc., 29-28 41st Avenue, Long Island City 1, N. Y. **Note**—This is a refiling of a letter that was originally field on Sept. 28, 1960.

Radiatronics, Inc.
Dec. 28, 1960 (letter of notification) 100,000 shares of capital stock (no par) of which 16,000 shares are to be offered by a selling stockholder. **Price**—$3 per share. **Proceeds**—For additional equipment, machinery, and working capital. **Office**—14801 California Street, Van Nuys, Calif. **Underwriter**—Morgan & Co., Los Angeles, Calif.

● Rajac Self-Service, Inc. (2/6)
Nov. 15, 1960 filed 154,375 shares of common stock (10c par). **Price**—$3 per share. **Proceeds**—$30,000 will be used to pay an outstanding note, $87,500 will be used for the acquisition, constructing, and equipping of an additional plant, $22,500 will be used to cover the expenses of offering the stock, and the balance will be used to reduce indebtedness and purchase equipment. **Office**—Mt. Vernon, N. Y. **Underwriter**—The James Co., 369 Lexington Avenue, New York 17, N. Y.

Ram Electronics, Inc. (3/1)
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter** — Plymouth Securities Corp., New York, N. Y.

★ Random House, Inc.
Jan. 27, 1961 filed 121,870 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are in the business of publishing and distributing a wide variety of books. **Proceeds**—For the selling stockholders. **Office**—457 Madison Ave., New York City. **Underwriter**—Allen & Co., New York City (managing).

Real Estate Market Place, Inc.
Dec. 20, 1960, filed 50,000 shares of class A common stock, of which 12,903 shares will be exchanged for real property and the balance of 37,097 shares sold publicly, together with 50 shares of class B common stock. **Price**—$100 per share for each class. **Proceeds**—To pay costs and expenses incidental to the company's organization and operation. **Office**—1422 Sixth Ave., San Diego, Calif. **Underwriter**—None.

Realty Collateral Corp.
Dec. 12, 1960 filed $20,000,000 of collateral trust notes, series A, due 1981. **Price**—To be supplied by amendment. **Business** — The company was organized in September, 1960 to invest in real property mortgages insured under Title II of the National Housing Act. **Proceeds**—For general business purposes. **Office**—444 Madison Ave., New York, N. Y. **Underwriter**—None.

★ Rego Insulated Wire Corp.
Jan. 30, 1961 filed 200,000 shares of common stock, of which 180,000 shares are to be offered for public sale by the company and 20,000, being outstanding stock, by the present holders thereof. **Price** — $4.50 per share. **Business**—The company is engaged in the manufacture of insulated wire and cable, garden hose and garden supply items, television antennas, plastic toys and doll bodies; and has recently commenced the production of thermoplastic compounds for use in its own manufacturing operations, as well as for resale to other manufacturers. **Proceeds**—For the repayment of loans and for working capital. **Office**—830 Monroe Street, Hoboken, N. J. **Underwirter** — Russell & Saxe, Inc., New York City (managing).

● Renwell Electronics Corporation of Delaware (2/27-3/3)
Jan. 9, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—The company was organized in December, 1960, to acquire all of the outstanding stock of Renwell Electronic Corp., a manufacturer of electronic assemblies and various other electronic components. **Proceeds** — For new equipment, plant expansion and working capital. **Office**—129 South State Street, Dover, Del. **Underwriter**—William David & Motti, Inc., New York City.

● Resisto Chemical, Inc. (2/3)
Aug. 29, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The firm makes and sells protective coatings for packaging and fabrics, and products used in insulation. **Proceeds**—For working capital ($235,358), with the balance for machinery, equipment, and general corporate purposes. **Office** — New Castle County Air Base, New Castle County, Del. **Underwriter**—Amos Treat & Co., Inc., New York City.

Richards Aircraft Supply Co.
Dec. 29, 1960 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To retire a bank loan and an equipment loan, increase inventory, and for working capital. **Office**—111 S. W. 33rd Street, Fort Lauderdale, Fla. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y. **Offering**—Expected in April.

● Richmond-Eureka Mining Co.
Jan. 24, 1961 filed 103,133 shares of capital stock, to be offered to stockholders for subscription on the basis of one new share for each three shares held. **Price**—To be supplied by amendment. **Business** — The operation of mining properties near Eureka, Nev. **Proceeds**—To repay loans from U. S. Smelting, Refining & Mining Co. **Office**—75 Federal St., Boston, Mass. **Underwriter**—None.

Rixon Electronics, Inc. (2/14-17)
Dec. 30, 1960 filed 115,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company is a custom electronics engineering and development concern engaged in the development and production of specialized electronic equipment for use in modern communications, instrumentations, data processing and other electronic systems. **Proceeds**—To repay indebtedness and for working capital. **Office** — 2414 Reedie Drive, Silver Spring, Md. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

● Roblin-Seaway Industries, Inc. (2/14-17)
Dec. 29, 1960 filed 80,000 shares of class A stock. **Price**—$6 per share. **Business**—Organized under New York law in December 1960, the company will be consolidated with, and carry on the business of Roblin, Inc., which buys and sells scrap steel and other ferrous and nonferrous metals and Seaway Steel Corp., which operates a rolling mill producing bars, rods and other shapes of steel and nickel. The company will also have interests ranging from 50% to 76% in a demolition contractor, a lessor of demolition equipment, a stevedoring business, a metals broker and a manufacturer of rolled nickel anodes and other rolled nickel products. **Proceeds**—For general corporate purposes. **Office**—1437 Bailey Ave., Buffalo, N. Y. **Underwriter** — Brand, Grumet & Seigel, Inc., New York City (managing).

Rocket Research Corp.
Jan. 19, 1961 filed 300,000 shares of common stock. **Price**—$2.25 per share. **Business**—The company is engaged in research on new high energy propellant systems, the development of a miniature rocket for application to satellite and space vehicles and in the preparation of proposals which have been submitted to certain governmental agencies. **Proceeds**—For general corporate purposes. **Office**—233 Holden Street, Seattle, Wash. **Underwriter**—Craig-Hallum, Inc., Minneapolis, Minn.

Roulette Records, Inc.
Aug. 29, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—The manufacture and distribution of long-playing records. **Proceeds**—For debt retirement and general corporate purposes. **Office** — 1631 Broadway, New York City. **Underwriter**—A. T. Brod & Co., New York, N. Y.

(G. T.) Schjeldahl Co.
Nov. 28, 1960 filed 9,000 outstanding shares of common stock and $765,000 of convertible subordinated debentures, due 1971. The debentures will be offered to holders of the outstanding common stock on basis of $100 principal amount of debentures for each 100 common shares held. **Price**—To be supplied by amendment. **Business**—The research, development and production of plastics and electronic instrumentation systems. **Proceeds**—For working capital, the acquisition and development of Plymouth Industrial Products, Inc., Sheboygan, Wis., and for expansion. **Office**—Northfield, Minn. **Underwriter**—Craig-Hallum, Inc., Minneapolis, Minn. (managing).

★ Schluderberg-Kurdle Co., Inc.
Jan. 25, 1961 filed 20,000 shares of non-voting common stock. **Price**—To be supplied by amendment. **Business**—Meat packing and related operations. **Proceeds** — For plant modernization and working capital. **Office**—3800 East Baltimore St., Baltimore, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing). **Offering**—Expected in early March.

● Screen Gems, Inc. (2/10-24)
Dec. 8, 1960 filed 300,000 shares of common stock ($1 par) to be offered for subscription by common stockholders of Columbia Pictures Corp., holder of all outstanding shares on the basis of one share of Screen Gems for each five shares of Columbia Pictures, and for subscription on the same basis by participating employees under the Columbia Pictures Corp. Employees' Stock Purchase Plan. **Price**—To be supplied by amendment. **Business**—The production and distribution of television feature films, shorts and commercials. **Proceeds**—For general business purposes and the making of payments to Columbia Pictures as required under the operating agreement. **Office**—711 Fifth Avenue, New York, N. Y. **Underwriting**—Hemphill, Noyes & Co., and Hallgarten & Co., both of New York City.

Sealander Inc.
Dec. 19, 1960 (letter of notification) 150,000 shares of class A common stock (par 10 cents). **Price** — $2 per share. **Proceeds**—To start operations in manufacturing and selling boats. **Office**—2228 McElderry Street, Baltimore 5, Md. **Underwriter**—Robinette & Co., Inc., Baltimore, Md.

● Search Investments Corp. (3/1)
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price**—$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds**—For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

★ Securities Credit Corp.
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price**—100% of principal amount. **Business**—The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock St., Denver, Colo. **Underwriter**—None.

● Seeman Brothers, Inc.
Dec. 21, 1960 filed 98,150 shares of 5% cumulative convertible preferred stock (par $20) and a like amount of underlying common shares. **Price**—To be supplied by amendment. **Business** — The wholesale distribution of grocery products and the processing and sale of frozen fruits, vegetables and prepared foods. **Office**—40 West 225th St., New York, N. Y. **Underwriters** — Gregory & Sons, New York City and Straus, Blosser & McDowell, Chicago (managing). **Offering**—Expected in mid-February.

Shareholder Properties, Inc.
Dec. 2, 1960 (letter of notification) 40,000 shares of class A common stock (par $1). **Price**—$7.50 per share. **Proceeds**—For working capital. **Office**—2540 Huntington Dr., San Marino, Calif. **Underwriter** — Blalack & Co., San Marino, Calif.

★ Shepherd Electronic Industries, Inc.
Jan. 18, 1961 (letter of notification) 78,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—9821 Foster Avenue, Brooklyn, N. Y. **Underwriter** — D. Klapper Associates, Inc., New York, N. Y. **Offering**—Expected about mid-February.

Shinn Industries Inc. (2/6-10)
Nov. 29, 1960 filed 150,000 shares of common stock. **Price**—$6 per share. **Business**—The manufacture, assembly and sale of aircraft and missile components and the construction of industrial and research facilities. **Proceeds**—To repay a bank loan, for expansion and inventory, and for working capital. **Office** — Wilmington, Del. **Underwriter**—Myron A. Lomasney & Co., New York City.

● Shore-Calnevar, Inc. (2/6-10)
Nov. 25, 1960 filed 200,000 common shares, of which 100,000 shares will be offered for public sale by the company and 100,000, being outstanding shares, by present stockholders. **Price**—To be supplied by amendment. **Business**—Designs and produces automobile hub caps, washroom dispensers and other janitorial supplies. **Proceeds**—To repay outstanding bank loans and to increase inventories. **Office** — 7701 East Compton Boulevard, Paramount, Calif. **Underwriter** — H. Hentz & Co. and Federman, Stonehill & Co., both of New York City (managing).

★ Shoup Voting Machine Corp.
Jan. 27, 1961 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the assembly, manufacture, sale and repair of voting machines and toll collection devices and auxiliary equipment. **Proceeds** — For the reduction of debt and for working capital. **Office**—41 East 42nd St., New York City. **Underwriter** — Burnham & Co., New York City (managing).

● Simplex Wire & Cable Co. (2/14-17)
Sept. 28, 1960 filed 118,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Office**—Cambridge, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

● Solite Products Corp. (2/20-24)
Dec. 8, 1960, filed 750 units, consisting in the aggregate of $225,000 principal amount of 7% debentures due February, 1968, and 75,000 shares of common stock to be offered in units of $100 of debentures and 100 common shares. **Price** — $300 per unit. **Business** — The design, manufacture and sale of advertising signs, displays and miscellaneous plastic items. **Proceeds**—For general business purposes, including the purchase of tools, dies and equipment; for research, sales and inventory and for additional working capital. **Office**—375 East 163rd St., New York, N. Y. **Underwriter**—William David & Motti, Inc., New York City.

Southern Co. (2/14)
Jan. 6, 1961 filed 900,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Offices**—1330 West Peachtree Street, N. W., Atlanta, Ga., and 600 No. 18th Street, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Eastman Dillon, Union Securities & Co.; Blyth & Co., Inc. and Equitable Securities Corp. (jointly); First Boston Corp., and Lehman Brothers (jointly); Morgan Stanley & Co.; Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—To be received at the office of Morgan Guaranty Trust Co., 60 Liberty Street, New York 15, N. Y. by 3:45 p.m. EST on Feb. 14. **Information Meeting**—Scheduled at the N. Y. State Chamber of Commerce, 65 Liberty Street, New York City, at 3 p.m. (EST) on Feb. 10.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

Stancil-Hoffman Corp. (2/14-17)
Sept. 30, 1960 filed 150,000 shares of capital stock. **Price**—$2 per share. **Business** — The research, development, manufacture, and sale of magnetic recording equipment. **Office** — 921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

● Standard & Shell Homes Corp.
Nov. 1, 1960 filed 210,000 shares of common stock and $350,000 of 9% subordinated sinking fund debentures, due Nov. 1, 1985, with warrants to be offered in 35,000 units consisting of six common shares, a $10 deben-

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ture, and two warrants. **Price** — $17.50 per unit. **Proceeds** — For construction, mortgage funds, and working capital. **Office**—Miami Beach, Fla. **Underwriters**—Aetna Securities Corp. and D. Gleich Co., both of New York City, and Roman & Johnson, of Ft. Lauderdale, Fla. **Offering**—Expected sometime in February.

● Steel Crest Homes, Inc. (2/6-10)
Nov. 22, 1960 filed 180,000 shares of common stock; $450,000 of 8% subordinated sinking fund debentures ($10 face amount), due Sept. 1, 1981; and 45,000 warrants exercisable at $15 for the purchase of two shares and one debenture (for which 90,000 underlying common shares and 45,000 underlying 8% debentures were also filed). The securities will be offered in units, each unit to consist of four shares of stock, one $10 face amount debenture and one warrant. **Price**—$18 per unit. **Proceeds**—For the financing of homes sold by the company and its subsidiary, and for working capital. **Office**—Center Square, Pa. **Underwriters**—Marron, Sloss & Co., Inc., New York City and Harrison & Co., Philadelphia, Pa.

Stephen Realty Investment Corp.
Jan. 16, 1961 filed 1,400,000 shares of beneficial interest, of which 1,000,000 shares will be publicly offered and 400,000 shares are to be exchanged for real estate ventures. **Price**—$5 per share. **Office** — 1930 Sherman St., Denver, Colo. **Underwriter** — Stephen Securities Corp., 710 American National Bank Bldg., Denver, Colo.

● Storer Broadcasting Co. (2/20-24)
Dec. 30, 1960 filed 263,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company owns and operates five television broadcasting stations, seven radio stations, six F.M. radio broadcasting stations and a daily newspaper. The company, through a subsidiary also owns a majority of the voting stock in The Standard Tube Co., Detroit, Mich, manufacturer of steel tubing and other tubular products. **Proceeds**—To the selling stockholders. **Underwriter**—Reynolds & Co., Inc., New York City (managing).

Straus-Duparquet Inc.
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriters**—To be supplied by amendment.

★ Sunset Color Laboratories Inc. (3/6-10)
Jan. 30, 1961 filed 80,000 shares of common stock (par 10c). **Price**—$2.25 per share. **Business**—Photo finishing. **Proceeds** — For general corporate purposes. **Office**—Rockville Center, N. Y. **Underwriter**—Jacey Securities Co., 82 Beaver St., New York City.

● Super-Market Distributors, Inc. (2/8)
Dec. 1, 1960 filed 200,000 outstanding shares of common stock. **Price**—$5 per share. **Business**—The wholesale distribution of non-food consumer items to supermarkets **Proceeds**—To selling stockholders. **Office**—39 Old Colony Ave., Boston, Mass. **Underwriter**—Clayton Securities Corp., Boston, Mass.

★ Superstition Mountain Enterprises, Inc.
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

Swiss Chalet, Inc. (3/6-10)
Jan. 4, 1961 filed 115,000 shares of 70¢ cumulative first preferred stock and 115,000 shares of common stock to be offered in units, each unit to consist of one share of preferred and one share of common. **Price**—$10 per unit. **Business**—Operates the Swiss Chalet Restaurant in San Juan, Puerto Rico. **Proceeds**—For the construction and furnishing of a seven-story hotel adjacent to the restaurant. **Office**—105 De Diego Avenue, San Juan, Puerto Rico. **Underwriters**—P. W. Brooks & Co., Inc., New York City and Compania Financiera de Inversiones, Inc., San Juan.

"Taro-Vit" Chemical Industries Ltd.
Nov. 25, 1960 filed 2,500,000 ordinary shares. **Price**—$0.60 a share payable in cash or State of Israel Bonds. **Business** — The company produces, in Israel, a poultry food supplement, and pharmaceutical and chemical products. **Proceeds** — $750,000 for expansion; $170,000 for equipment and working capital; and $130,000 for repayment of a loan. **Office** — P. O. Box 4859, Haifa, Israel. **Underwriter**—None.

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

● Techmation Corp. (2/27)
Jan. 17, 1961 (letter of notification) 87,500 common shares (par one cent). **Price** — $2 per share. **Business**—The company designs and develops automation machinery through systems of "hoppers," "feeders," and other design innovations for the manufacture of industrial, cosmetic, toy, plastics and other products. The company proposes to adapt its oriented feeding devices to miniature and sub-miniature electronic components manufacture. **Proceeds**—To develop a proprietary line of automatic machinery products, for working capital, to fill orders, for oriented seeding and automation machinery, and for patent applications and the prosecution thereof. **Office**—19-79 Steinway St., Long Island City, New York. **Underwriter**—First Philadelphia Corp., New York City.

● Tech-Ohm Electronics, Inc. (2/3-6)
Sept. 6, 1960 (letter of notification) 99,833 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 36-11 33rd Street, Long Island City, N. Y. **Underwriter**—Edward Lewis Co., Inc., New York, N. Y.

● TelAutograph Corp. (2/9)
Nov. 18, 1960 filed an unspecified number of shares of common stock (par value $1), to be offered to common stockholders for subscription. **Price**—To be supplied by amendment. **Proceeds**—For initial production expenses of a Telescriber compatible with an A. T. & T. analog subset; for initial production expenses of facsimile equipment to be made by its subsidiary Hogan Faximile Corp., and the balance for the reduction of indebtedness. **Office**—8700 Bellanca Avenue, Los Angeles, Calif. **Underwriters**—Baird & Co., and Richard J. Buck & Co., both of New York City, and Chace, Whiteside & Winslow, Inc., Boston, Mass.

● Tele-Graphic Electronics Corp.
Dec. 16, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Patent holding, development, and manufacture of its patentable products in the fields of air conditioning, air pollution control, electronics and plastics. **Proceeds**—For general corporate purposes. **Office**—514 Hempstead Ave., West Hempstead, N. Y. **Underwriter** — Lee Hollingsworth, 514 Hempstead Ave., West Hempstead, N. Y.

● Telephone & Electronics Corp. (2/10)
Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Business**—Electronic communications equipment and automatic, loudspeaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, New York.

● Telescript C.S.P., Inc. (2/14-17)
Dec. 23, 1960 (letter of notification) 60,000 shares of common stock. **Price**—$5 per share. **Business**—The firm makes a prompting machine for television and an electronic tape editor. **Proceeds**—To expand plant and sales force, enter closed circuit television, repay a $20,000 loan, and for working capital. **Office**—155 West 72nd St., New York City. **Underwriter**—Robert A. Martin Associates, Inc., 680 Fifth Avenue, New York City.

Tensor Electric Development Co., Inc.
Jan. 5, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture and sale of electronic components and instruments. **Proceeds**—For general corporate purposes. **Office**—1873 Eastern Parkway, Brooklyn, N. Y. **Underwriters**—Dresner Co., Michael & Co. (managing), and Satnick & Co., Inc., all of New York City. **Offering**—Expected in late February.

Texas Gas Transmission Corp. (2/8)
Dec. 30, 1960 filed 300,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Business**—The operation of an interstate pipeline system in Louisiana, Arkansas, Mississippi, Tennessee, Kentucky, Illinois, Indiana and Ohio. **Proceeds**—To be applied toward 1961 expansion program estimated to cost $27,000,000. **Office**—416 West Third St., Owensboro, Ky. **Underwriter**—Dillon, Read & Co., Inc., New York City (managing).

★ Texstar Securities, Inc.
Jan. 30, 1961 filed $3,000,000 of interests in Texstar 1961 Gas and Oil Program. **Price**—$6,000 per unit. **Business**—The company was organized under Delaware law in December 1960 as a wholly-owned subsidiary of the Texstar Corp. Its main purpose is to carry out the program of developing gas producing prospects anywhere in the U. S. and Canada. **Proceeds**—For general corporate purposes. **Office** — National Bank of Commerce Bldg., San Antonio, Tex. **Underwriter**—None.

Thermo-Dynamics, Inc.
Dec. 27, 1960 filed 315,089 common shares of which 285,000 shares will be offered for the account of the issuing company are new and 30,089 shares, representing outstanding stock, are to be offered by two officers of the company. **Price**—$3.50 per share. **Business**—Formerly known as Agricultural Equipment Corp., this company distributes German made Stihl chain saws and Stihl "Go-Kart" gasoline engines; U. S. made tractor attachments and power saws; makes cryogenic gas reclamation and transferral systems, L-P gas thermo-shock weed control devices, portable furnaces, etc. **Proceeds**—For the repayment of debts, for expansion and for working capital. **Office**—1366 W. Oxford Avenue, Englewood, Colo. **Underwriter**—Lowell, Murphy & Co., Inc., Denver, Colo.

★ Thermogas Co.
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is a distributor of propane and tanks and accessories for the storage and handling of propane gas. **Proceeds**—To repay loans, purchase additional distribution plants and for working capital. **Office**—4509 East 14th St., Des Moines, Iowa. **Underwriter**—A. C. Allyn & Co., Chicago (managing).

Thursby (Reed A.) & Co.
Dec. 19, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For building sites, installation and for working capital. **Office**—4030 Overlook Road, N. E., St. Petersburg, Fla. **Underwriter**—Dunne & Co. and R. James Foster & Co., Inc., New York, N. Y.

Time Finance Corp.
Dec. 30, 1960 registered $1,000,000 of 6% convertible subordinated debentures due Jan. 1, 1976 and 150,000 underlying common shares. **Price**—At 100% of principal amount. The debentures will be convertible at prices ranging from $7.50 per share in January 1961 to $15 per share in January 1970. **Proceeds**—$96,560 to increase volume of accounts receivable financing; $24,145 to increase volume of direct industrial loans and dealer contracts; $24,145 to increase volume of small loans; and $700,000 for the reduction of notes payable. **Office**—Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

● Tip Top Products Co. (2/15)
Oct. 4, 1960 filed 60,000 shares of class A common stock. **Price**—To be supplied by amendment. **Address**—Omaha, Neb. **Underwriters**—J. Cliff Rahel & Co., Omaha, Neb. and First Trust Co., of Lincoln, Lincoln, Neb.

Toledo Plaza Investment Trust (2/14-17)
Dec. 8, 1960, filed 209 Beneficial Trust Certificates in The Toledo Plaza Investment Trust. **Price**—$2,500 each. **Business** — The company will purchase an apartment project of not less than 242 units on 10 acre site in Prince Georges County, Md. **Proceeds**—To purchase the above-mentioned apartment project. **Office**—2215 Washington Ave., Silver Spring, Md. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

● Town Photolab, Inc. (2/10)
Nov. 30, 1960 filed 150,000 shares of common stock. **Price**—$4 per share. **Business** — The processing and sale of photographic film, supplies and equipment. **Proceeds**—For general business expenses. **Office** — 2240 Jerome Avenue, New York City. **Underwriter**—Michael G. Kletz & Co., New York City.

★ Tri-Continental Corp.
Feb. 1, 1961 filed $20,000,000 of series A debentures, due March 1, 1966. **Price**—To be supplied by amendment. **Business**—The issuer is a closed end investment company the shares of which are traded on the New York Stock Exchange. **Proceeds**—To pay debentures and a promissory note of the issuer, and debentures of Selected Industries Inc. **Office**—65 Broadway, New York City, **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

● Underwater Storage, Inc. (2/6)
Nov. 8, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—1028 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Searight, Ahalt & O'Connor, Inc., New York, N. Y.

United Boatbuilders, Inc. (2/27-3/3)
Jan. 3, 1961, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Makes and sells fiberglas boats. **Proceeds**—To be added to working capital. **Office**—9th and Harris, Bellingham, Wash. **Underwriters**—Birr & Co., Inc., San Francisco and Marron, Sloss & Co., Inc., New York City.

● United International Fund Ltd.
Oct. 20, 1960 filed 1,000,000 shares of common stock (par one Bermuda pound). **Price**—$12.50 per share. **Business**—This is a new open-end mutual fund. **Proceeds**—For investment. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriters**—Kidder, Peabody & Co., Bache & Co., and Francis I. du Pont & Co., all of New York City (managing). **Offering**—Expected in early 1961.

● United Pacific Aluminum Corp.
Aug. 24, 1960 filed $7,750,000 of convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, the proceeds will be used to pay for the erection of a primary aluminum reduction facility. **Office** — Los Angeles, Calif. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill. (managing). **Note**—This statement is to be withdrawn.

★ United Reserve Underwriters, Inc.
Jan. 12, 1961 (letter of notification) 100,000 shares of non-cumulative preferred stock (par 50 cents). **Price**—$3 per share. **Proceeds**—To purchase stock of Bankers Reserve Life Insurance Co. **Office**—220 Majestic Bldg., Denver, Colo. **Underwriter**—None.

● U. S. Mfg. & Galvanizing Corp. (2/14-17)
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**—5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong Corp., 15 William St., New York, N. Y.

United Telecontrol Electronics, Inc.
Dec. 8, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturing components designed for use in connection with telephone and telegraph communication equipment on a prime contract basis. **Proceeds** — For general corporate purposes, including working capital. **Office**—Monmouth County Airport, Wall Township, N. J. **Underwriter** — Richard Bruce & Co., Inc., New York, New York.

Urban Development Corp.
Aug. 30, 1960 filed 200,000 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including debt reduction. **Office**—Memphis, Tenn. **Underwriter**—Union Securities Investment Co., Memphis, Tenn.

Van Dusen Aircraft Supplies, Inc.
Jan. 16, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expansion. **Office**—Minneapolis, Minn. **Underwriter**—Stroud & Co., Philadelphia, Pa. **Offering**—Expected in late February.

Vector Industries, Inc. (2/20-24)
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay in full the remainder of such subscription to capital stock of International Data Systems, Inc. and

to retire outstanding notes. **Office**—2321 Forest Lane, Garland, Tex. **Underwriter**—Plymouth Securities Corp., New York City.

Vim Laboratories, Co., Inc.

Oct. 26, 1960 (letter of notification) 90,000 shares of class A common stock (par $1). **Price**—$2.75 per share. **Proceeds**—To provide funds for further expansion of the company's operations. **Office**—5455 Randolph Rd., Rockville, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

Visual Dynamics Corp.

Jan. 12, 1961 (letter of notification) 100,000 shares of common stock (par five cents). **Price**—$3 per share. **Business**—Manufacturers of an audio-visual device for educational and entertainment purposes. **Proceeds**—For general corporate purposes. **Office**—42 S. 15th Street, Suite 204, Philadelphia, Pa. **Underwriter**—District Securities, 2520 L Street, N. W., Washington, D. C.

● **West Texas Utilities Co. (2/15)**

Jan. 16, 1961 this subsidiary of Central and South West Corp., filed $8,000,000 of first mortgage bonds, series F, due Feb. 1, 1991. **Proceeds**—To repay bank loans and for expansion. **Office** — 1062 North Third Street, Abilene, Texas. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Equitable Securities Corp.; Blyth & Co.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly). **Bids**—Expected to be received on Feb. 15 at 10:30 a.m. (CST).

Western Factors, Inc.

June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

Westminster Fund, Inc.

Oct. 14, 1960 filed 4,000,000 shares of capital stock. **Business**—This is a new mutual fund, and its intention is to offer holders of at least $25,000 worth of acceptable securities the opportunity of exchanging each $12.50 worth of such securities for one share in the Fund, which will receive a maximum commission of 4%. **Office**—Westminster at Parker, Elizabeth, N. J. **Investment Advisor**—Investors Management Co. **Dealer - Manager**—Kidder, Peabody & Co., New York City. **Offering**—Expected in early 1961.

● **Westmore, Inc. (2/14-17)**

Dec. 1, 1960 (letter of notification) 150,000 shares of common stock (par 40 cents). **Price**—$2 per share. **Business**—Inventing, developing, producing and marketing of electronic test equipment. **Proceeds**—For production, research and development; for repayment of loans and for working capital. **Office**—Fanwood, N. J. **Underwriter**—Vincent, James & Co., Inc., 37 Wall St., New York, N. Y.

Whippany Paper Board Co., Inc. (2/20-24)

Dec. 28, 1960 filed 250,000 shares of common stock (par 10c). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of container liner board, corrugated board, chip board and box board. **Proceeds**—For plant conversion and working capital. **Office**—10 North Jefferson Road, Whippany, N. J. **Underwriter**—Val Alstyne, Noel & Co., New York City (managing).

Willer Color Television System, Inc.

Jan. 29, 1960 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City. **Offering**—Indefinite.

Wilson (Lee) Engineering Co., Inc.

Dec. 30, 1960 filed 67,500 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company produces equipment for treating flat rolled steel and wire in a variety of ways, including chemical change through gas alloying and physical change through thermal treating. **Proceeds**—For the selling stockholder. **Underwriter**—Prescott, Shepard & Co., Inc., Cleveland.

Wings & Wheels Express, Inc.

Dec. 9, 1960 filed 85,000 shares of common stock. **Price**—$3 per share. **Business**—Engaged in freight forwarding by air and terminal handling service at Chicago. **Proceeds**—For expansion, working capital, the financing of accounts receivable, and general corporate purposes. **Office**—Astoria Blvd., and 110th St., Flushing, L. I., N. Y. **Underwriters**—Globus, Inc. and Ross, Lyon & Co., Inc., both of New York City. **Offering**—Expected in mid-February.

★ **Winston-Muss Corp.**

Jan. 30, 1961 filed $9,000,000 of convertible subordinated debentures due 1981 and 400,000 shares of common stock to be offered for public sale in units consisting of $22.50 principal amount of debentures and one share of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in January 1961 to engage in the conception, planning and execution of large scale property development and construction projects throughout the U. S. **Proceeds**—For the acquisition and development of real estate properties. **Office**—22 West 48th St., New York City. **Underwriter**—Lee Higginson Corp., New York City (managing).

● **Wollard Aircraft Service Equipment, Inc. (2/14-17)**

Dec. 14, 1960 filed 135,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of equipment used to service commercial and military aircraft. **Proceeds**—For a new plant and equipment, for moving expenses and the balance for working capital. **Office**—2963 N. W. 79th St., Miami, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Wometco Enterprises, Inc. (2/27-3/3)

Dec. 30, 1960 filed 100,000 shares of stock, consisting of 18,591 outstanding shares of class A common stock; 19,155 outstanding shares each of class B, series B, C and D common; and 23,944 outstanding shares of class B, series E common. **Proceeds** — For the selling stockholders. **Business**—Owns and operates television station WTVJ, Miami, Fla. and station WLOS-TV with its affiliates WLOS-AM and FM, Asheville, N. C. The company also owns and operates television station WFGA, Jacksonville, Fla., and it recently signed a contract for the acquisition of station KVOS-TV, Bellingham, Wash. It also operates a chain of 23 motion picture theatres, sells soft drinks and related items, owns a franchise to bottle and sell Pepsi-Cola in the Bahamas and holds a 91% interest in the Seaquarium at Miami, Fla. **Office**—306 North Miami Avenue, Miami, Fla. **Underwriters** — Lee Higginson Corp., New York and A. C. Allyn & Co., Inc., Chicago.

WonderBowl, Inc.

April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

● **Wyle Laboratories (3/6-10)**

Jan. 17, 1961 filed 110,000 shares of common stock, of which 100,000 shares will be offered for the account of the issuing company and 10,000 shares, representing outstanding stock, will be offered for the account of a selling stockholder. **Price** — To be supplied by amendment. **Business** — This firm, which up to now has been privately held, believes it is the largest independent laboratory in America providing testing services for the missle-space-aircraft industry. **Proceeds** — For expansion, with the balance for working capital. **Office**—128 Maryland St., El Segundo, Calif. **Underwriters**—Kidder, Peabody & Co., New York City, and Mitchum, Jones & Templeton, Los Angeles (managing).

Prospective Offerings

Advance Industries Corp.

Jan. 25, 1961 it was reported that a "Reg. A" filing covering 100,000 shares of the company's 10 cent par common stock is expected by mid-February. **Price** — $3 per share. **Business**—Manufacturer of furniture. **Proceeds**—For equipment and general corporate purposes. **Office**—Washington, D. C. **Underwriter**—Allen, McFarland & Co., Washington, D. C.

Alabama Power Co. (3/23)

Jan. 3, 1961 it was reported that this subsidiary of the Southern Co., plans to sell $13,000,000 of 30-year first mortgage bonds and $8,000,000 of preferred stock (par $100). **Proceeds**—For expansion. **Office**—600 North 18th St., Birmingham 2, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders on bonds included Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); Morgan Stanley & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc. **Registration**—Expected about Feb. 13. **Bids**—Expected at 11 a.m. (EST) on March 23.

Alamo Gas Supply Co.

Jan. 24, 1961 it was reported that this company is negotiating for the sale of about $18,000,000 to $20,000,000 of bonds. **Proceeds**—For expansion of facilities. **Office**—San Antonio, Tex. **Underwriters** — White, Weld & Co., and Underwood,, Neuhaus & Co.

Alberta Gas Trunk Line Co., Ltd.

Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately $65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada.

American Investment Co.

Nov. 3, 1960, Donald L. Barnes, Jr., executive vice-president, announced that debt financing is expected in early 1961 in the form of about $6,000,000 of capital notes and $4,000,000 to $6,000,000 of subordinated notes. **Office**—St. Louis, Mo.

American Playlands Corp.

Dec. 21, 1960 it was reported that this company plans to refile in February a registration statement covering 300,000 shares of common stock. This will be a full filing. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**—M. W. Janis & Co., Inc., New York City.

★ **Appalachian Power Co.**

Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Approved Finance Inc.

Nov. 11, 1960 it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering to stockholders of additional common stock via a Regulation "A" filing, possibly to occur in mid-1961. **Office**—39 E. Chestnut St., Columbus, Ohio. **Underwriter**—Vercoe & Co., Columbus, Ohio.

Arizona Public Service Co.

Jan. 25, 1961 it was reported that this company plans to issue bonds in the second quarter of 1961 and some preferred or common stocks in the fourth quarter. The amount or type of securities has not yet been determined. The company expects to spend about $320,000,000 on construction in the period 1961 to 1965 of which some $250,000,000 will come from outside sources. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be determined. The last sale of bonds was made privately on March 26, 1959 through Blyth & Co., Inc., and The First Boston Corp. The last sale of preferred stock on June 18, 1958 and the last sale of common (to stockholders on May 24, 1959) was also handled by Blyth & Co. and The First Boston Corp.

Arkansas Power & Light Co.

Sept. 20, 1960 it was announced that this subsidiary of Middle South Utilities plans the issuance of approximately $12,000,000 of 30-year first mortgage bonds, some time in March. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Atlantic Transistor Corp.

Sept. 12, 1960 the company reported that it is contemplating filing its first public offering, consisting of a letter of notification covering an undetermined number of shares of its $1 par common stock. **Business** — The company makes and sells a "water - tight, unbreakable" marine radio known as the "Marlin 200." **Proceeds**—For the development of the "Marlin 300," which is to be a similarly constructed radio with a ship-to-shore band. **Office**—63-65 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Mr. Roth, Comptroller, states that he is actively seeking an underwriter to handle the offering. **Note**—The issuing company is a wholly-owned subsidiary of Auto-Temp Inc.

Baltimore Gas & Electric Co.

Oct. 3, 1960 it was reported that the utility expects to sell about $20,000,000 of additional securities, possibly bonds or preferred stock, sometime during the first half of 1961. **Office**—Lexington Building, Baltimore, Md. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly).

Bo-Craft Enterprises Inc.

Nov. 18, 1960 it was reported that a letter of notification consisting of 100,000 shares of 10 cent par common stock will be filed for this company. **Price**—$3 per share. **Business**—The company is engaged in the manufacture of parts for zippers. **Proceeds**—For expansion and general corporate purposes. **Office**—11-54 44th Drive, Long Island City, N. Y. **Underwriter**—Harwyn Securities, 1457 Broadway, New York City.

Brooklyn Union Gas Co.

Jan. 12, 1961 G. C. Griswold, Vice-President and Treasurer stated that company has not made definite financing plans but is considering an issue of $25,000,000 to $30,000,000 of mortgage bonds in late 1961. **Office**—176 Remsen St., Brooklyn 1, N. Y.

California Asbestos Corp.

Sept. 28, 1960 it was reported that discussion is under way concerning an offering of about $300,000 of common stock. It has not yet been determined whether this will be a full filing or a "Reg. A." **Business**—The company, which is not as yet in operation but which has pilot plants, will mine and mill asbestos. **Proceeds**—To set up actual operations. **Address**—The company is near Fresno, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif. **Registration**—Indefinite.

California Electric Power Co.

Jan. 18, 1961 it was reported that this company's plans to offer $8,000,000 of bonds will be governed more by the conditions of the money market than by the company's early need for long-term financing. With its 1961 construction program tentatively scheduled at $20,000,000, the company can wait at least until fall before it needs financing. **Proceeds** — For construction. **Office**—2885 Foothill Boulevard, San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.

California Oregon Power Co.

Oct. 18, 1960 it was reported that the company expects to come to market in Oct. 1961 to raise about $12,000,000 in the form of approximately $7,000,000 of bonds and $5,000,000 common stock. **Proceeds**—For the repayment of bank loans. **Office**—216 W. Main St., Medford, Oreg.

● **Carbonic Equipment Corp.**

Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the

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business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc. **Registration**—Expected in late February.

★ Car Plan System, Inc.
Feb. 1, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Automobile leasing. **Proceeds**—For expansion. **Office**—540 N. W. 79th St., Miami, Fla. **Underwriter**—R. F. Dowd & Co., Inc., New York City. **Registration**—Expected during the week of Feb. 13. **Offering**—Expected about the middle of March.

● Casavan Industries
Feb. 1, 1961 it was reported by Mr. Casavena, President, that registration is expected of approximately $10,000,000 of common stock and $11,750,000 of 6% debentures. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds** — For expansion. **Office** — 250 Vreeland Ave., Paterson, N. J. **Underwriter** — To be named. **Registration**—Expected in late February.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Charles Of The Ritz
Jan. 18, 1961 it was reported that this company plans a public offering of common stock. This will be a full filing, registered secondary. **Business**—Operates a chain of beauty salons. **Office**—11 E. 58th Street, New York City. **Underwriter**—White, Weld & Co., New York City (managing). **Registration**—Expected in early March.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

● Columbia Gas System, Inc.
Feb. 1, 1961 it was reported that this company plans to sell about $30,000,000 of debentures in May or June and about $25,000,000 of debentures in the fall. **Office**—120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly).

Columbus & Southern Ohio Electric Co.
Sept. 22, 1960 it was reported the company will sell about $10,000,000 additional common stock sometime in 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co

Commonwealth Edison Co.
Jan. 10, 1961 it was reported that this company plans to sell $30,000,000 of bonds in the second quarter of 1961. **Office**—72 W. Adams Street, Chicago, Ill. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Community Public Service Co.
Jan. 10, 1961 it was reported that this company plans to sell $5,000,000 of debentures in the second quarter of 1961. **Office**—408 W. 7th Street, Fort Worth 2, Texas. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

★ Consolidated Edison Co. of New York, Inc.
Jan. 27, 1961 it was reported that this company plans to sell about $75,000,000 of mortgage bonds in the fall and an additional $75,000,000 of preferred or common stock by year end. **Office**—4 Irving Place, New York City. **Underwriters**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. The last sale of common was made to stockholders on Sept. 13, 1929 through subscription rights. The last sale of preferred was made privately on or about Jan. 23 through Morgan, Stanley & Co., and First Boston Corp., New York City.

★ Consolidated Natural Gas Co.
Jan. 31, 1961 it was reported that this company expects to sell about $25,000,000 of debentures later in 1961. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—For construction. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly).

● Continental Bank of Cleveland
Jan. 4, 1961 it was reported that this bank plans to offer publicly 16,000 common shares (par $10). **Price**—$26.50 per share. **Proceeds**—To increase capital. **Office**—2029 E. 14th St., Cleveland 15, Ohio. **Underwriters** — Joseph, Mellen & Miller, Inc., and Ball, Burge & Kraus, Cleveland (managing). **Offering**—Expected by mid-February.

Daffin Corp.
Jan. 20, 1961, it was reported that a registration is expected to be filed covering 150,000 outstanding shares of common stock (no par). **Price** — To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To the selling stockholders. **Office**—121 Washington Ave., South, Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing).

Dakota Reinsurance Corp.
Nov. 28, 1960 it was reported by Walter H. Johnson, President, that the company plans its first public offering of an as yet undetermined amount of its $1 par common stock. **Business**—The company will enter the field of reinsurance on a multiple line basis. **Office** — P. O. Box 669, Yankton South Dakota. **Underwriter**—Mr. Johnson states that the company is actively seeking an underwriter.

Dallas Power & Light Co.
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

Delaware Power & Light Co.
Dec. 23, 1960, Frank P. Hyer, Chairman, stated that this company may issue additional common stock in the summer of 1961. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares valued at about $14,600,000. The last offering of common to stockholders in June, 1956, consisted of 232,520 shares offered at $35 a share to holders of record June 6, on the basis of one share for each eight shares held. **Proceeds**—For construction. **Office**—600 Market Street, Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Diversified Automated Sales Corp.
Nov. 16, 1960 it was reported by Frazier N. James, President, that a "substantial" issue of common stock, constituting the firm's first public offering, is under discussion. **Business** — The company makes a film and flashbulb vending machine called DASCO, which will sell as many as 18 products of various sizes and prices, and will also accept exposed film for processing. **Office**—223 8th Ave., South, Nashville, Tenn. **Underwriter**—Negotiations are in progress with several major underwriters.

Dynamic Center Engineering Co., Inc.
Oct. 3, 1960 it was reported that the company plans a full filing of its $1 par common stock. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office** — Norcross, Ga. **Underwriter**—To be named.

● Elk Roofing Co.
Jan. 6, 1961 it was reported that this company plans a full filing of 135,000 shares of common stock. **Proceeds**—To reduce long-term debt. **Office** — Stephens, Ark. **Underwriter**—S. D. Fuller & Co.

★ Epoderm Inc.
Jan. 27, 1961 it was reported that the company plans its first public offering of 40,000 shares of common stock. **Price** — $10 per share. **Business** — The manufacture of drugs. **Proceeds**—The research and synthesis of certain hormones that may be helpful in revitalizing dormant hair growth. **Office**—New Jersey. **Underwriter**—M. H. Meyerson & Co., Ltd., 15 William St., New York City (managing). **Registration**—Expected in mid-February.

● Exploit Films, Inc.
Feb. 1, 1961 it was reported that the company will file a letter of notification consisting of 100,000 shares of common stock at $5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th St., New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing). **Registration**—Expected on or about Feb. 15.

Fawcett Publications, Inc.
Jan. 20, 1961 it was reported that this family-owned publishing business is contemplating its first public offering. **Office**—Greenwich, Conn. **Underwriter**—To be named.

First Continental Real Estate Trust
Jan. 6, 1961 it was reported that this company plans to file, at some future date, an SEC registration statement covering 1,500,000 trust shares to be offered for public sale. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—105 West Adams Street, Chicago 3, Ill.

Florida Power & Light Co.
Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Ford Motor Credit Co.
Oct. 17, 1960 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur in the first quarter of 1961. **Office**—Detroit, Mich.

General Resistance, Inc.
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering. **Office**—577 East 156th Street, Bronx, N. Y.

★ General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in the first half of 1961. **Office**—2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City. **Registration**—Expected in late February or early March.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

● Geriatrics Pharmaceutical Corp.
Jan. 11, 1961 it was reported that this firm is planning a letter of notification covering 50,000 shares of 10¢ par common stock. **Proceeds**—For general corporate purposes, including the hiring of additional detail men. **Office**—45 Commonwealth Boulevard, Bellerose, L. I., N. Y. **Underwriter**—T. M. Kirsch & Co., 52 Wall Street, New York City. **Registration**—Imminent.

Goshen Farms Inc.
Oct. 5, 1960 it was reported that 100,000 shares of the company's common stock will be filed. **Proceeds**—For breeding trotting horses. **Office**—Goshen, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected in late February.

Great Northern Ry. (2/28)
Jan. 17, 1961 it was reported that this company plans to sell $5,100,000 of 1-15 year equipment trust certificates. **Office**—39 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc., both of New York City. **Bids**—To be received on Feb. 28 at noon (EST).

Grosset & Dunlap, Inc.
Jan. 23, 1961 it was reported that this firm is contemplating its first offering of common stock. **Business**—This is a publishing firm owned by Little Brown, Harper's, Random House, and Book Of The Month Club, with the last-named firm owning the largest interest. The prospective issuer owns Treasure Books, Wonder Books, and Bantam Books jointly with Curtis Publishing Co. **Office**—1107 Broadway, New York City. **Underwriter**—Blyth & Co., Inc., New York City (managing).

● Guaranty National Insurance Co.
Jan. 25, 1960 it was reported that the company plans a Regulation "A" filing of 120,000 shares of common stock. **Price**—$2.50 per share. **Business**—Fire and casualty insurance. **Proceeds**—General corporate purposes. **Underwriter**—Copley & Co., Colorado Springs, Colo. **Registration**—Expected by mid-February.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

★ Illinois Central RR. (2/7)
Jan. 30, 1961 it was reported that this company plans to sell $4,500,000 of equipment trust certificates, due Sept. 1, 1961 to March 1, 1976. **Office**—135 East Eleventh Place, Chicago 5, Ill. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Bros. & Hutzler. **Bids**—To be received on Feb. 7 at 1 p.m. (EST).

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25, 1960, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

Industrial Control Products, Inc.
Jan. 24, 1961 it was reported that the company plans to file 165,000 shares of 10¢ par class A stock. **Price**—$3 per share. **Business**—The design and manufacture of control systems and subcontracted precision machining. The firm has recently begun to make double-diffused, broad base silicon diodes, but is not yet in commercial production of these items. **Proceeds**—For expenses of semi-conductor production, research and development, advertising and selling, inventory, and general funds. **Office**—78 Clinton Road, Caldwell Township, N. J. **Underwriter**—Edward Hindley & Co., 99 Wall Street, New York 5, N. Y. (managing). **Registration** — Expected in early February.

● Industrial Gauge & Instrument Co.
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected about mid-February.

● Interstate Power Co.
Feb. 1, 1961 it was reported that this company plans to sell $9,000,000 of bonds and $4,000,000 of common stock in 1961 or 1962. **Office** — 1000 Main Street, Dubuque, Iowa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Salomon Bros. & Hutzler.

Iowa-Illinois Gas & Electric Co.
Oct. 24, 1960 it was reported by the company treasurer, Mr. Donald Shaw that the utility expects to come to market, perhaps in mid-1961, to sell long-term securities in the form of bonds and possibly preferred stock, with the amount and timing to depend on market conditions. The 1961 construction program is estimated at $17 million of which $10-$11 million will have to be raised externally. **Office**—206 E. 2nd St., Davenport, Iowa.

Japan Telephone & Telegraph Corp.
Oct. 27, 1960 it was announced that this government-owned business plans a $20,000,000 bond issue in the United States. **Proceeds**—For expansion. **Underwriters**—Dillon, Read & Co., First Boston Corp., and Kidder, Peabody & Co. **Offering**—Expected in the Spring of 1961.

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

● Lanvin Parfums, Inc.
Jan. 24, 1961 it was reported that this perfume firm is contemplating its first public financing, to consist of an issue of about $6,000,000 of common stock. **Office**—767 Fifth Avenue, New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

★ Lincoln National Bank & Trust Co. of Central New York
Jan. 30, 1961 it was reported that stockholders have approved the sale of 29,478 new $10 par shares to stockholders on the basis of one new share for each eight shares held of record Jan. 17, with rights to expire Feb. 8. **Price**—$32 per share. **Proceeds**—To increase capital. **Office**—104 South Salina St., Syracuse, N. Y. **Underwriter**—None.

Long Island Lighting Co.
Jan. 25, 1961 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of $25,000,000 of 30-year first mortgage bonds probably in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y.

● Louisville & Nashville RR. (3/7)
Jan. 24, 1961 it was reported that this company plans to to sell about $7,785,000 of equipment trust certificates due March 15, 1962-76. **Proceeds** — To buy additional freight cars. **Offices**—9th Street and Broadway, Louisville 1, Ky., and 71 Broadway, New York, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—To be received on March 7 at noon (EST).

Macrose Lumber & Trim Co., Inc.
Dec. 20, 1960, it was reported that this company plans a public offering of about 500,000 common shares (par $1) in early 1961. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y.

Martin Paint & Wallpapers
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Avenue, Jamaica, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York City, N. Y.

Massachusetts Electric Co.
Jan. 24, 1961 it was reported that the SEC has approved the merger of six subsidiaries of New England Electric System into Worcester County Electric Co., also a subsidiary. Latter will change its corporate name to Massachusetts Electric Co., and issue about $17,500,000 of first mortgage bonds due 1991. **Offices**—939 Southbridge St., Worcester, Mass., and 441 Stuart St., Boston, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Offering**—Expected in May.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

McCulloch Corp.
Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Boulevard, Los Angeles 45, Calif.

● Metropolitan Edison Co.
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

● Michigan Consolidated Gas Co.
Jan. 11, 1961 it was reported that this company plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds**—To repay notes and for construction. **Office**—415 Clifford St., Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: White, Weld & Co.; Lehman Brothers; and Halsey, Stuart & Co. Inc.

● Michigan Wisconsin Pipe Line Co.
Jan. 10, 1961 it was reported that this subsidiary of American Natural Gas Co., plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds** — For construction. **Office** — 500 Griswold Street, Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

Mississippi Power Co. (9/28)
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Sept. 28.

Monroe Mortgage & Investment Corp.
Dec. 12, 1960, Cecil Carbonell, Chairman, announced that this company is preparing a "Reg. A" filing covering 150,000 shares of common stock. **Price** — $2 per share. **Business**—The company is engaged in first mortgage financing of residential and business properties in the Florida Keys. **Proceeds**—To expand company's business. **Office**—700 Duval Street, Key West, Fla. **Underwriter**—None. **Registration**—Expected by mid-February.

● Montana-Dakota Utilities Co.
Dec. 1, 1960, F. R. Gamble, Treasurer, stated that company plans to sell $5,000,000 of preferred stock ($100 par), early in 1961. On December 13, stockholders voted to increase the authorized preferred. **Proceeds**—$3,000,000 will be used to repay bank loans and $2,000,000 will be added to working capital. **Office**—831 Second Ave., South, Minneapolis, Minn. **Underwriter**—A previous preferred issue was underwritten on negotiated basis by Blyth & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

● Monticello Lumber & Mfg. Co.
Jan. 3, 1961 it was reported that this company plans a "Reg. A" filing covering 75,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For equipment, plant expansion and working capital. **Office**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., 117 Liberty St., New York City.

★ Morton Foods, Inc.
Jan. 27, 1961 it was reported that about 175,000 shares of this company's common stock will be offered publicly in April. About 10% will be for selling stockholders and the balance for the company's account. **Price**—Approximately $12.50 per share. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas, Tex. (managing).

● Nedick's Stores, Inc.
Feb. 1, 1961 it was reported that a filing of approximately 185,000 shares of common stock will be made soon. **Office**—513 W. 166th Street, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City. **Registration** — Expected by mid-February. **Offering**—Expected by mid-March.

New England Power Co.
Jan 24, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

● New Orleans Public Service, Inc. (5/25)
Nov. 10, 1960 it was reported that an issue of $15,000,000 of first mortgage bonds is expected in May, 1961. **Office**—317 Baronne St., New Orleans, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp., Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler. **Offering** — Expected May 25.

Northern Fibre Glass Co.
Sept. 28, 1960 it was reported that this company is planning to issue 100,000 shares of $1 par common stock under a letter of notification. **Office**—St. Paul, Minn. **Underwriter**—Irving J. Rice & Co., St. Paul, Minn.

Northern Illinois Gas Co.
Nov. 9, 1960 C. J. Gauthier, Vice-President-finance reported that of the $95,000,000 in outside financing that will be required in the next four years to complete a $200,000,000 construction program, an unspecified amount might be raised through a common stock issue in 1961. **Office**—50 Fox St., Aurora, Ill. **Underwriters**—The First Boston Corp. and Glore, Forgan & Co., New York, N. Y. (managing).

● Northern States Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Offering**—Expected in August.

One Maiden Lane Fund, Inc.
Feb. 1, 1961 it was reported that registration is expected later this month of 300,000 shares of common stock. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury Bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nichols & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

● Orange & Rockland Utilities, Inc. (4/20)
Jan. 6, 1961 it was reported that this company plans to sell $12,000,000 of first mortgage bonds, series G, due April 15, 1991. **Proceeds**—For redemption of $6,442,000 of first mortgage bonds, series B, due May 1, 1961; for repayment of bank loans and for construction. **Office**—10 North Broadway, Nyack, N. Y. **Underwriters**—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co., Glore, Forgan & Co. (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc., Eastman Dillon, Union Securities & Co., Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 20. **Information Meeting**—Scheduled for 11 a.m. (EST) April 13 at Bankers Trust Co., 16 Wall St., New York City.

Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California Street, San Francisco 8, Calif.

★ Pacific Telephone & Telegraph Co.
Jan. 30, 1961 it was reported that this company, controlled by American Tel. & Tel. Co., plans to form a new subsidiary to operate in Washington, Oregon and Idaho. The new concern will acquire the business and properties of the present operating division, known as Pacific Telephone-Northwest, established in February 1960. All of the stock of the new company will be issued to Pacific Telephone, but "as soon as practicable" it will be offered for sale to Pacific Telephone shareholders at a price to be fixed by the Board of Directors. **Office**—140 New Montgomery St., San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A T & T, which owns over 90% of the outstanding stock, exercised its rights to subscribe to its prorata share of the offering.

Panhandle Eastern Pipe Line Co.
Sept. 28, 1960 it was reported that $65,000,000 of debentures are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

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• Pennsylvania Electric Co.
Jan. 24, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell $10,000,000 of 30-year first mortgage bonds and $12,000,000 of debentures. **Office** — 222 Levergood St., Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Offering**—Expected in May or June.

Pennsylvania Power Co.
Dec. 14, 1960, it was reported that this company has applied to the SEC for an order under the Holding Company Act, authorizing the issuance of $878,000 of first mortgage bonds, 3¼% series, due 1982. **Proceeds**—For sinking fund purposes. **Office** — 19 E. Washington St., New Castle, Pa. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc., and Dean Witter & Co. (jointly).

Peoples Gas Light & Coke Co.
Jan. 10, 1961 it was reported that this company plans to sell about $35,000,000 of first mortgage bonds in 1961. **Proceeds**—To retire maturing bonds and for construction. **Office**—122 So. Michigan Avenue, Chicago 3, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; First Boston Corp.

Public Service Co. of Colorado
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $20,000,000 of common stock to be offered stockholders through subscription rights in mid-1961. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter** — Last equity financing handled on a negotiated basis by First Boston Corp.

Public Service Co. of New Mexico
Jan. 10, 1961 it was reported that this company plans to sell $12,000,000 of first mortgage bonds in 1961 or 1962. **Office**—819 Simms Building, Albuquerque, N. Mex. **Proceeds**—To repay bank loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; J. G. White & Co. Inc.; Blyth & Co., Inc.; Kidder, Peabody & Co.; Glore, Forgan & Co.; First Boston Corp.; White, Weld & Co.; Salomon Bros. & Hutzler.

Public Service Electric & Gas Co.
Jan. 16, 1961 it was reported that this company expects to spend $150,000,000 on capital improvements in 1961, but has not made definite plans for the financing that will be required. However, it is possible that the company may sell common stock if market conditions are favorable. **Office**—80 Park Place, Newark, N. J. **Underwriter**—The last sale of common stock on Dec. 15, 1959 was handled by Merrill Lynch, Pierce, Fenner & Smith Inc., and associates.

Radiation Applications, Inc.
Jan. 17, 1961 it was reported that this company is considering a public offering of stock in 1962. **Business**—Develops plastic and chemical materials for the electronics and missile industries, and performs extensive research and development in the fields of atomic energy, extractive metallurgy, plastics, and electrical insulation. Schenley Industries, Inc., owns about 36% of the outstanding stock. **Office**—Long Island City, N. Y. **Underwriter**—To be named. Hayden, Stone & Co., New York, recently handled a private placement of the company's stock.

Rochester Gas & Electric Corp.
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

Rockland National Bank
Jan. 17, 1961 offered holders of capital stock of record Jan. 10 rights to subscribe for 39,126 additional shares at the rate of one new share for each seven shares held. Rights expire Feb. 6. **Price**—$20 per share. **Proceeds**—For capital funds. **Office** — Suffern, Rockland County, N. Y. **Underwriters** — M. A. Schapiro & Co., Inc., and Joseph Walker & Sons, both of New York City.

Security National Bank of Long Island
Jan. 18, 1961 it was reported that the bank is offering 97,371 shares of common stock (par $5) to stockholders on the basis of one new share for each 10 shares held of record Jan. 17, with rights to expire Feb. 6. **Price**—$20 per share. **Proceeds** — To increase capital. **Office**—Huntington, N. Y. **Underwriter** — Bache & Co. (managing).

Sierra Pacific Power Co.
Jan. 25, 1961 it was reported that this company expects to sell about $6,000,000 of bonds and common stock in 1961 or 1962. **Proceeds**—For construction. **Office**—220 South Virginia St., Reno, Nev. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Dean Witter & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). The last sale of common stock was made to stockholders on March 14, 1960 without underwriting.

Silo's Discount House
Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

• Southern Bell Telephone & Telegraph Co. (3/21)
Jan. 24, 1961 it was reported that this subsidiary of American Telephone & Telegraph Co., plans to sell about $70,000,000 of debentures. **Proceeds**—To refinance $70,000,000 of 5½% debentures due 1994 issued on Oct. 21, 1959 at the highest interest rate in the company's history. **Office** — 67 Edgewood Ave., S. E., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Morgan Stanley & Co., both of New York City. **Bids**—To be received on March 21.

Southern California Edison Co. (4/4)
Jan. 20, 1961, J. K. Horton, President, stated that the company will require about $60,000,000 of new financing in 1961. Earlier, the company announced plans for the sale of $30,000,000 of first and refunding mortgage bonds, series N, due 1986. **Proceeds**—To retire short-term debt and for construction. **Office**—601 West Fifth St., Los Angeles 53, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Dean Witter & Co.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., all of New York City. **Bids**—To be received at the company's Los Angeles office on April 4, 1961 at 8:30 a.m. (PST).

Southern Electric Generating Co. (6/15)
Jan. 4, 1961 it was reported that this company, jointly owned by Alabama Power Co., and Georgia Power Co., both in turn controlled by The Southern Co., plans the public sale of $27,000,000 first mortgage bonds due June 1, 1992. **Proceeds**—For expansion. **Office**—600 North Eighteenth St., Birmingham 3, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders included Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., (jointly); Morgan Stanley & Co., White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); First Boston Corp.; and Halsey, Stuart & Co. Inc. **Registration**—Expected about May 8. **Bids**—To be received at 11 a.m. on June 15.

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Southwestern Public Service Co.
Jan. 19, 1961 it was reported that in March, 1961, the company expects to offer about $15,000,000 in bonds and about $3,000,000 in preferred stock, and that about one year thereafter a one-for-twenty common stock rights offering is planned, with the new shares priced about 6½% below the then existing market price of the common. **Office**—720 Mercantile Dallas Building, Dallas 1, Texas. **Underwriter**—Dillon, Read & Co., Inc.

Spiegel, Inc.
Jan. 17, 1961 it was reported that financing is being considered for this year, but details have not been decided upon. **Business**—The company is engaged in the sale of merchandise by mail, principally on a monthly payment basis. **Office**—1061 W. 35th St., Chicago 9, Ill. **Underwriter**—To be named. The last sale of securities consisted of $15,417,500 of 5% convertible debentures, due 1984, which were sold to stockholders through subscription rights in June 1959. The offering was underwritten by Wertheim & Co., New York.

Swift & Co.
Dec. 28, 1960 the company disclosed that it is considering the issuance of up to $35,000,000 of convertible debentures. Stockholders voted Jan. 26 on increasing the authorized common stock from 6,000,000 to 8,000,000 shares to provide additional underlying shares for the proposed convertible issue. **Proceeds** — For expansion and working capital. **Office**—Union Stock Yards, Chicago 9, Ill. **Underwriter**—The last issue of 4¾% debentures on Oct. 29, 1958 was placed privately through Salomon Bros. & Hutzler, New York City.

Texas Gas Transmission Corp.
Jan. 11, 1961 it was reported that this company plans to sell $10,000,000 to $15,000,000 of bonds in the third quarter of 1961. **Office**—416 West Third Street, Owensboro, Ky. **Underwriter**—Dillon, Read & Co., New York City.

Traid Corp.
Jan. 4, 1961 it was reported that this company is contemplating some new financing. No confirmation was available. **Business**—The company specializes in airborne photo instrumentation and manufactures aircraft motion picture cameras and accessory items. **Office** — Encino, Calif. **Underwriter**—Previous financing was handled by D. A. Lomasney & Co., New York City.

Transcontinental Gas Pipe Line Corp.
Jan. 17, 1961 it was reported that this company plans to spend $100,000,000 to expand its pipeline system, which brings natural gas to the New York City area. It was stated that the company expects to raise up to $50,000,000 this spring, by the sale of bonds, debentures or preferred stock. The type of securities offered will depend on FPC approval and the successful completion of a court case now in progress. **Office**—3100 Travis St., Houston, Tex. **Underwriters**—To be named. The last sale of bonds in April 1960 was handled by White, Weld & Co., and Stone & Webster Securities Corp., both of New York City.

• Tronomatic Corp.
Dec. 20, 1960, it was reported that a letter of notification consisting of 57,000 shares of common stock will be filed for the company. **Price**—$4 per share. **Proceeds**—For new product development and sales promotion. **Business**—The manufacture of plastic forming, molding and fabricating equipment. **Office** — 25 Bruckner Blvd., Bronx, N. Y. **Underwriter** — Plymouth Securities Corp., New York City. **Registration**—Expected about mid-February.

Trunkline Gas Co.
Sept. 28, 1960 it was reported that approximately $15,000,000 of bonds and $5,000,000 of preferred stock are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Union Electric Co.
Jan. 19, 1961 it was reported that this company plans to sell $20,000,000 to $30,000,000 of preferred in late 1961. **Proceeds**—For expansion of facilities. **Office** — 315 N. 12th Blvd., St. Louis, Mo. **Underwriter** — To be determined by competitive bidding. The last sale of preferred in November 1949 was underwritten by First Boston Corp.; Dillon, Read & Co., Lehman Brothers; White, Weld & Co. and Shields & Co. (jointly); and Blyth & Co.

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Virginia Electric & Power Co. (6/13)
Jan. 17, 1961 the company announced plans to sell $30,000,000 of first mortgage bonds. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids**—Scheduled for June 13 at 11 a.m. (EST).

• Waldorf Auto Leasing Inc.
Jan. 16, 1961 it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock. **Price** — $3 per share. **Proceeds** — For general corporate purposes. **Office** — 2015 Coney Island Ave., Brooklyn, N. Y. **Underwriters**—Martinelli & Co., 79 Wall St., V. K. Osborne & Sons, Inc., 40 Exchange Place, First Atlantic Securities Co., 160 Broadway, New York City. **Registration**—Expected by late February.

Washington Natural Gas Co.
Jan. 16, 1961 it was reported that this company may raise about $4,000,000 in the spring of 1961 through bank loans, or a public offering of securities. **Office** — 1507 Fourth Ave., Seattle, Wash. **Underwriter**—The last public offering comprising common stock, was made in September 1958 through Dean Witter & Co., San Francisco.

★ Western Reserve Life Assurance Co. of Ohio
Jan. 30, 1961 it was reported that stockholders are to vote at the annual meeting in April on increasing authorized stock to provide for sale of about $1,250,000 of additional common to stockholders through subscription rights. **Proceeds**—To increase capital funds. **Office**—1 Union Commerce Annex, Cleveland 14, Ohio. **Underwriters**—McDonald & Co. and Ball, Burge & Kraus, Cleveland.

Western Union Telegraph Co.
Jan. 16, 1961 it was reported that this company filed a plan with the FCC to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph would purchase 250,000 shares of class B stock for $100,000. **Office**—60 Hudson St., New York City. **Underwriter** — American Securities Corp. (managing).

Wisconsin Power & Light Co.
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office**—Sheridan Springs Road, Lake Geneva, Wis. **Underwriter** — The Milwaukee Co., Milwaukee, Wis. (managing).

NSTA NOTES

BOSTON SECURITIES TRADERS ASSOCIATION

The Boston Securities Traders Association will hold their 37th annual winter dinner, Friday, Feb. 10, at the Statler Hilton Hotel at 7:30 p.m. A cocktail party for guests and officers will be held on the Mezzanine Floor from 5:30 to 7 p.m.

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The Investment Traders Association of Philadelphia will hold their 37th annual Mid-Winter Dinner, Feb. 24, at 7:30 p.m. in the Grand Ballroom of the Bellevue Stratford Hotel. A luncheon for out of town guests will be held at noon in the Clover Room.

Tickets may be obtained through Norman T. Wilde, Janney, Dulles & E. A. Clark, Inc. Hotel reservations will be handled by Alfred MacCart, Drexel & Co.

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Security Traders Association of New York will hold its annual dinner, Friday, April 21, in the Grand Ballroom of the Waldorf-Astoria. Frank J. Ronan, New York Hanseatic Corporation, is in charge of the dinner committee.

Form E. J. LaLumiere Co.

GLENDALE, R. I. — Ernest J. LaLumiere Co has been formed with offices on North Shore Drive to engage in a securities business. Ernest J. LaLumiere, formerly with V. T. Curran Co., is President.

Old Line Secs. Opens

BALTIMORE, Md.—Old Line Securities, Inc., is engaging in a securities business from offices at 305 Tower Building. Officers are Charles A. Winegardner, President and Treasurer; V. S. Davis, Secretary.

DIVIDEND NOTICES

THE CHASE MANHATTAN BANK

STOCK DIVIDEND NOTICE

The Board of Directors has declared a 4% dividend payable in capital stock of the Bank on March 10, 1961, to holders of record at the close of business February 3, 1961. Fractions of shares will not be issued. Stockholders will receive order forms which will provide for the sale of fractions of shares or the purchase of additional fractions to make a full share. The transfer books will not be closed in connection with the payment of this dividend.

MORTIMER J. PALMER
Vice President and Secretary

QUALITY

The American Tobacco Company

222ND COMMON DIVIDEND

A regular dividend of Seventy Cents (70¢) per share has been declared upon the Common Stock of THE AMERICAN TOBACCO COMPANY, payable in cash on March 1, 1961, to stockholders of record at the close of business February 10, 1961. Checks will be mailed.

HARRY L. HILYARD
Vice President and Treasurer
January 31, 1961

© A. T. Co.

DIVIDEND NOTICES

Dividend Notice

AMERICAN & FOREIGN POWER COMPANY INC.

100 CHURCH STREET, NEW YORK 7, N.Y.

The Board of Directors of the Company, at a meeting held this day, declared a dividend of 12½ cents per share on the Common Stock for payment March 10, 1961 to shareholders of record at the close of business February 10, 1961.

H. W. BALGOOYEN,
Executive Vice President and Secretary

January 27, 1961.

CALIFORNIA-PACIFIC UTILITIES COMPANY

Quarterly dividends payable March 15 to shareholders of record March 1, have been declared at the following rates per share:

5% Preferred	25¢
5% Convertible Preferred	25¢
5.40% Convertible Preferred	27¢
5½% Convertible Preferred	27½¢
Common	22½¢

D. J. Ley, VICE-PRES. & TREAS.

January 23, 1961

DIVIDEND NOTICES

Harbison-Walker Refractories Company

Board of Directors has declared for quarter ending March 31, 1961 DIVIDEND of ONE and ONE-HALF (1½%) PER CENT or $1.50 per share on PREFERRED STOCK, payable April 20, 1961 to shareholders of record April 6, 1961.

Also declared a DIVIDEND of $.45 per share on COMMON STOCK, payable March 1, 1961 to shareholders of record February 10, 1961.

G. F. Cronmiller, Jr.
Vice President and Secretary

Pittsburgh, January 26, 1961

National Distillers and Chemical Corporation

N D   U.S.I.

DIVIDEND NOTICE

The Board of Directors has declared a quarterly dividend of 30¢ per share on the outstanding Common Stock, payable on March 1, 1961, to stockholders of record on February 10, 1961. The transfer books will not close.

PAUL C. JAMESON
January 26, 1961. Treasurer

FLINTKOTE *Diversified Products For Home and Industry*

THE FLINTKOTE COMPANY

NEW YORK 20, N. Y.

quarterly dividends have been declared as follows:

Common Stock*: $.30 per share
$4 Cumulative Preferred Stock: $1 per share
$4.50 Series A Convertible 2nd Preferred Stock: $1.12½ per share
$2.25 Series B Convertible 2nd Preferred Stock: $.56¼ per share

These dividends are payable March 15, 1961 to stockholders of record at the close of business February 15, 1961.

*130th consecutive dividend

JAMES E. McCAULEY, *Treasurer*
February 1, 1961

GOODALL RUBBER COMPANY

COMMON DIVIDEND

The Board of Directors has declared a quarterly dividend of 12½c per share on all Common Stock outstanding payable February 15, 1961 to stockholders of record at the close of business February 1, 1961.

January 27, 1961

H. G. DUSCH
Vice President & Secretary

SUBURBAN PROPANE GAS CORPORATION

20 Exchange Place • New York, N.Y.

60th CONSECUTIVE QUARTERLY DIVIDEND

DIVIDEND INCREASED TO $1.12

Board of Directors increased quarterly dividend on Common Stock to 28c, payable February 15, 1961 to stockholders of record February 1, 1961.

R. Gould Morehead
Financial Vice President

SUBURBAN PROPANE GAS CORPORATION
Third of a Century of Dependable Service

DIVIDEND NOTICES

UNION CARBIDE

A quarterly dividend of ninety cents (90¢) per share on the outstanding capital stock of this Corporation has been declared, payable March 2, 1961 to stockholders of record at the close of business Feb. 6, 1961.

JOHN F. SHANKLIN
Secretary and Treasurer

UNION CARBIDE CORPORATION

O'okiep Copper Company Limited

Dividend No. 57

The Board of Directors today declared a dividend of ten shillings per share on the Ordinary Shares of the Company payable March 2, 1961.

The Directors authorized the distribution of the said dividend on March 13, 1961 to the holders of record at the close of business on March 6, 1961 of American shares issued under the terms of the Deposit Agreement dated June 24, 1946. The dividend will amount to approximately $1.40 per share, subject, however, to any change which may occur in the rate of exchange for South Africa funds prior to March 2, 1961. Union of South Africa non-resident shareholders tax at the rate of 6.45% will be deducted.

By Order of the Board of Directors,
F. A. SCHECK, *Secretary*.

New York, New York, January 31, 1961.

SOUTHERN NATURAL GAS COMPANY

Birmingham, Alabama

Common Stock Dividend No. 88

A regular quarterly dividend of 50 cents per share has been declared on the Common Stock of Southern Natural Gas Company, payable March 14, 1961 to stockholders of record at the close of business on February 28, 1961.

W. S. TARVER,
Secretary

Dated: January 28, 1961.

The United Gas Improvement Company

DIVIDEND NOTICE

A dividend of 60c per share on the Common Stock, par value $13.50 per share, has been declared payable March 30, 1961 to holders of record February 28, 1961.

A dividend of $1.06¼ per share on the 4¼% Preferred Stock has been declared payable April 1, 1961 to holders of record February 28, 1961.

J. H. MACKENZIE, Treasurer
Philadelphia, January 24, 1961.

YALE & TOWNE

292nd Quarterly Dividend

37½¢ a Share
Payable: April 1, 1961
Record date: Mar. 20, 1961
Declared: Jan. 26, 1961

Elmer F. Franz
Vice President and Treasurer

THE YALE & TOWNE MFG. CO.
Lock and Hardware Products since 1868
Materials Handling Equipment since 1875
Cash dividends paid every year since 1899

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — The first week he was in office our new Secretary of Commerce, Luther H. Hodges, received 90 invitations to make speeches. Every mail and a batch of telegrams, plus numerous telephone calls, bring solicitations for him to talk to various organizations.

The ex-Governor of North Carolina was a conservative, successful businessman before he retired to serve his state first as Lieutenant Governor, then as Governor. As Governor he plowed a middle-of-the-road course.

When he was only 11 years old he began working in a textile mill. He can still weave and loom. As a boy working in the mills, he learned to be on time, and he has been punctual during his political career, which is a hard thing to do.

"I guess I've wasted more time than anybody I know for being on time," he recalled the other day. He'll probably have to wait on his boss, President Kennedy, in the months ahead, because Mr. Kennedy, although a hard worker himself, is frequently late for his appointments.

Because he has such a fetish for punctuality, Secretary Hodges several weeks ago, before his appointment was announced, was called to Palm Beach, Fla., on a given date. The then-Governor Hodges took a train from Northern Carolina to Palm Beach instead of a plane.

A freight train ahead of his train had a wreck. Mr. Hodges arrived in Palm Beeach about an hour late for the appointment with President Kennedy. Governor Hodges was feeling extremely bad about it when he arrived at the Kennedy home.

When he arrived, the President's sister and other members of the family welcomed him to have a cup of coffee and more coffee. All the time he was feeling uncomfortable about his tardiness. About an hour later Mr. Kennedy arrived and greeted the Governor warmly: "I didn't know you were here, Governor." Mr. Kennedy was doubly late.

Building Strong Organization

The former Vice-President of Marshall Field's properties has great respect and admiration for President Kennedy, and he is trying to build a strong organization to help expand our economy. He is asking a number of capable and proven businessmen to come to Washington and serve on his staff as a patriotic duty to their country. And he is having partial success with his pleas.

Some of the businessmen lieutenants he is bringing to Washington have been making four and five times in private industry what they will be making in the Federal Government. The government will be paying them around $20,000 a year.

Secretary Hodges, who was mentioned several times before the Democratic National Convention last July in his home state and a few other places as a possible Vice-Presidential candidate, made a top-drawer speech at Los Angeles that impressed a lot of people. After the convention he went to work for the Kennedy-Johnson ticket and helped to carry North Carolina, among others, for the nominees.

Will Stress Exports

The new Cabinet officer has already made it clear that the biggest immediate goal of the Department of Commerce will be to help drum up more and more export trade. The more exporting our country does the more it will help to offset the outflow of gold from the United States.

The imbalance of trade is now a serious thing for this country. He is going to stress the importance of exports in his speeches. Some of the businessmen he is bringing in will devote most of their efforts to help sell exports.

What about the accelerated highway program, including the 41,000-mile Interstate System? The Bureau of Public Roads is a part of the Department of Commerce.

Views on Transportation

Secretary Hodges favors completing the highway program on schedule, even if it calls for an increase in the Federal gasoline tax. The Interstate network is supposed to be finished by 1972. At least that was the date set when the 1956 Highway Act was passed by Congress.

Mr. Hodges favors a strong transportation system set up under commerce and not as a separate department with cabinet or sub-cabinet level, as some transportation people have proposed.

James M. Landis, former Harvard law dean, suggested in a report to President Kennedy that a White House transportation office be created. However, Mr. Landis' report on the transportation set up seems likely to wind up in the waste basket.

Incidentally, his report on the Dulles International Airport, which is going to be the most modern in the world, about 20 miles from Washington in Virginia, is also going to be discarded. Mr. Landis suggested that the Dulles International Airport be abandoned, despite the more than $70,000,000 already spent on it, and that the Air Force's Andrews Field, near Washington, be used as a great civilian airport.

Advice From Hoover

Secretary Hodges attended his first Cabinet meeting, and held his first press conference on the same day. Prior to the press conference he also made a little talk to a group of business paper editors that were meeting in Washington.

The new Secretary also let the business editors in on a little suggestion that was given to him recently by former President Herbert Hoover. Mr. Hoover, Secretary of Commerce before he was President, suggested that he pay special attention to business publications. The former President said the business publications of the nation can greatly aid the Department of Commerce in presenting its story to the nation. Many business publications lean heavily on the news and statistics generally issued by the various divisions of the Commerce Department.

The Secretary in his first press conference comments said in reply to a question that he is absolutely in favor of expanding both import and export trade. He expressed confidence the Department of Commerce can do a good job of handling the program for depressed areas rather than setting up a separate or independent agency.

Statistical Help to Business

The depressed area program is one of President Kennedy's "must" proposals. Mr. Kennedy has suggested that the Department of Commerce handle the job.

Soft-spoken, and 62, Mr. Hodges is the oldest Cabinet member, but he is going to welcome new ideas that would help expand the country's economy. The various field offices of the Department are going to be upgraded under his administration. He hopes to provide a flow of census information to businessmen who want and need the statistics.

Token public school integration took place in North Carolina during Hodges' administration as Governor. North Carolina has perhaps more Negro public school children than any Southern state, with Georgia a close second. Each school year a few more Negro children are being integrated into the previous all-white schools.

[*This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.*]

Forms BZF Planning

Benjamin Z. Friedman is engaging in a securities business from offices at 666 Fifth Avenue, New York City, under the firm name of BZF Planning Co.

"I decided to follow your advice on P D & Q myself—by the way, you're fired."

The Security I Like Best

Continued from page 2

tie-ins with other Coastal States' systems. The path of the Lo-Vaca System will also bring within ready reach new markets in the industrial Gulf Coast area. Starting date for deliveries is this coming summer.

In North Texas, the Company has 30,000 proven acres (out of 130,000) under development with gas sales being made under a long-term contract with Lone Star Gas. The remaining 100,000 acres, which should prove to be equally productive, represent still another avenue of appreciable revenues in the not-too-distant future.

Coastal States' operating performance has been a consistent record of year-to-year improvements. Revenues in fiscal 1960 were $17.6 million, up 216% over fiscal 1957. During the same period, cash earnings rose 270% to $4.36 million and net income increased 332% to $2.95 million.

Financial resources for Coastal States' ambitious programs represent no foreseeable difficulty. In fiscal 1960, $20 million of 6% sinking fund debentures were sold. Recently announced was an agreement covering $25,000,000 in secured bank cridit lines. Also available are previously granted unsecured open lines of credit.

It is relevant to note that the company's young, expert and aggressive management is spurred by the incentive of large personal stock holdings and stock options.

Coastal States common shares, traded over-the-counter (recent bid: 70) are owned by approximately 5,600 registered and beneficial stockholders. Presently outstanding are 1,954,007 shares. As no dividends are paid, it is not likely that many of the 622,496 shares reserved for the exercise of warrants on Sept. 30, 1960 will be issued before expiration in 1967. Also reserved were 80,805 shares for employees' stock options. Not to be overlooked is the more than $14,000,000 in proceeds that would result from the exercise of warrants and stock options. This would increase stockholders' investment by over 100%.

My high regard for Coastal States can be expressed in terms much more concrete than enthusiastic adjectives. Projections were made available not too long ago which indicate that exciting advances are in store.

In the 1964 fiscal year, cash earnings are expected to surpass fiscal 1960 by over 300%, reaching $17,640,000. This would be equal to $8.82 per share (on 2,000,000 shares). Projected 1964 net income is estimated at $13,990,000, or $7.00 per share, which would be 374% above 1960 results. These projections exclude all tax provisions as it is felt that intangible development costs, arising from the company's drilling activities, and depreciation charges, resulting from the acquisition of new assets, may offset potential tax requirements.

As a sound situation of high calibre affording excellent capital appreciation prospects, Coastal States Gas Producing Company has become a well-merited favorite throughout the financial community.

COMING EVENTS

IN INVESTMENT FIELD

Feb. 10, 1961 (Boston, Mass.)
Boston Securities Traders Association annual winter dinner at the Statler Hilton Hotel.

Feb. 16, 1961 (Chicago, Ill.)
Investment Analysts Society of Chicago forum on economic methods.

Feb. 24, 1961 (Houston, Tex.)
Stock & Bond Club of Houston annual field day at the Champions Golf Club.

Feb. 24, 1961 (Philadelphia, Pa.)
37th Annual Mid-Winter Dinner in the Grand Ballroom of the Bellevue Stratford Hotel.

Feb. 27-28, 1961 (Pittsburgh, Pa.)
Association of Stock Exchange Firms, Winter meeting of the Board of Governors at the Hilton Hotel.

March 9, 1961 (Chicago, Ill.)
Investment Analysts Society Mid-west Forum.

April 7, 1961 (New York City)
New York Security Dealers Association annual dinner at the Hotel Commodore.